Times Neighborhood Holdings Limited
時代鄰里控股有限公司

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 9928

GLOBAL OFFERING

Sole Sponsor, Sole Global Coordinator,
Sole Bookrunner and Joint Lead Manager

海通國際
HAITONG

Joint Lead Manager

香江金融
HEUNGKONG FINANCIAL

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

Times Neighborhood Holdings Limited
時代鄰里控股有限公司

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GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	**161,820,000 Shares**
Number of Hong Kong Public Offer Shares	:	**16,182,000 Shares (subject to reallocation)**
Number of International Placing Shares	:	**145,638,000 Shares including 80,909,048 Reserved Shares under the Preferential Offering (subject to reallocation)**
Offer Price	:	**Not more than HK$5.80 per Offer Share and expected to be not less than HK$4.23 per Offer Share, plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	:	**HK$0.01 per Share**
Stock code	:	**9928**

Sole Sponsor, Sole Global Coordinator and Sole Bookrunner

海通國際
HAITONG

Joint Lead Managers

海通國際
HAITONG

香江金融
HEUNGKONG FINANCIAL

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

The final Offer Price is expected to be fixed by agreement between the Sole Global Coordinator (on behalf of the Underwriters) and our Company on the Price Determination Date, which is expected to be on or around Thursday, December 12, 2019 and in any event, not later than Monday, December 16, 2019. The Offer Price will not be more than HK$5.80 and is currently expected to be not less than HK$4.23. If, for any reason, the final Offer Price is not agreed by Monday, December 16, 2019 between the Sole Global Coordinator (on behalf of the Underwriters) and our Company, the Global Offering will not become unconditional and will lapse immediately.

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered, sold pledged or transferred, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Offer Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sole Global Coordinator (on behalf of the Hong Kong Underwriters) if certain grounds for termination arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in "Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Grounds for Termination" in this prospectus.

Share certificates for the Global Offering will only become valid certificates of title at 8:00 a.m. on Thursday, December 19, 2019 provided that (i) the Global Offering has become unconditional in all respects and (ii) neither of the Underwriting Agreements has been terminated.

December 9, 2019

	Date[1]
Despatch **BLUE** Application Forms to Qualifying Times China Shareholders on or before	Monday, December 9, 2019
Prospectus and **WHITE** and **YELLOW** Application Forms available to the public in Hong Kong	Monday, December 9, 2019
Latest time to complete electronic applications under the **White Form eIPO** service and through the designated website **www.eipo.com.hk**[2]	11:30 a.m. on Thursday, December 12, 2019
Application lists open[3]	11:45 a.m. on Thursday, December 12, 2019
Latest time for lodging **WHITE**, **YELLOW** and **BLUE** Application Forms and giving **electronic application instructions** to HKSCC[4]	12:00 noon on Thursday, December 12, 2019
Latest time to complete payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s)	12:00 noon on Thursday, December 12, 2019
Application lists close[3]	12:00 noon on Thursday, December 12, 2019
Expected Price Determination Date[5]	Thursday, December 12, 2019
Announcement of the Offer Price, the levels of indication of interest in the International Placing, the level of applications in respect of the Hong Kong Public Offering and the Preferential Offering and basis of allocation under the Hong Kong Public Offering and the Preferential Offering to be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.shidaiwuye.com**[6] on or before	Wednesday, December 18, 2019
Results of allocations in the Hong Kong Public Offering and the Preferential Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels as described in "How to apply for the Hong Kong Public Offer Shares and Reserved Shares—E. Publication of Results" from	Wednesday, December 18, 2019

	Date[1]
Results of allocations in the Hong Kong Public Offering and the Preferential Offering to be available at **www.iporesults.com.hk** (alternatively: English: **http://www.eipo.com.hk/en/Allotment**; Chinese **http://www.eipo.com.hk/zh-hk/Allotment** with a "search by ID" function on	Wednesday, December 18, 2019
Despatch/collection of Share certificates in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering and the Preferential Offering on or before[7]	Wednesday, December 18, 2019
Despatch/collection of **White Form** e-Refund payment instructions/refund cheques in respect of wholly successful (in the event that the final Offer Price is less than initial price per Offer payable on application) and wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and the Preferential Offering on or before[8]	Wednesday, December 18, 2019
Dealings in the Shares on the Stock Exchange to commence at	9:00 a.m. on Thursday, December 19, 2019

Notes:

(1) All times and dates refer to Hong Kong local times and dates except as otherwise stated. Details of the structure of the Global Offering, including the conditions of the Hong Kong Public Offering and the Preferential Offering, are set out in "Structure and Conditions of the Global Offering" in this prospectus. If there is any change in this expected timetable, an announcement will be published.

(2) You will not be permitted to submit your application to the **White Form eIPO** Service Provider through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is a "black" rainstorm warning or a tropical cyclone warning signal number eight or above in force and/or extreme conditions in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, December 12, 2019, the application lists will not open and close on that day. For more information, see "How to Apply for the Hong Kong Public Offer Shares and Reserved Shares—D. Effect of bad weather and/or extreme conditions on the opening of the application lists" in this prospectus. If the application lists do not open and close on Thursday, December 12, 2019, the dates mentioned in "Expected Timetable" may be affected. Announcement will be made by us in such event.

(4) Applicants who apply by giving **electronic application instructions** to HKSCC should see "How to Apply for the Hong Kong Public Offer Shares and Reserved Shares—A. Applications for Hong Kong Public Offer Shares—6. Applying by giving **electronic application instructions** to HKSCC via CCASS" in this prospectus.

(5) The Price Determination Date, being the date on which the final Offer Price is to be determined, is expected to be on or around Thursday, December 12, 2019 and in any event, not later than Monday, December 16, 2019. If, for any reason, the final Offer Price is not agreed by Monday, December 16, 2019 between the Sole Global Coordinator (on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse.

(6) None of the websites or any of the information contained on those websites form part of this prospectus.

(7) Applicants who apply for (i) 1,000,000 Hong Kong Public Offer Shares or more; or (ii) 1,000,000 Reserved Shares or more, that are eligible to collect Share certificates (if applicable) and refund cheques (if applicable) in person may do so from our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Wednesday, December 18, 2019 or any other date as notified by us as the date of despatch of share certificates/e-Refund payment instructions/refund cheques. Applicants being individuals who are eligible for personal collection must not authorize any other person to make their collection on their behalf. Applicants being corporations who are eligible for personal collection must attend by sending their authorized representatives each bearing a letter of authorization from his corporation stamped with the corporation's chop. Both individuals and authorized representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited. Applicants who have applied on **YELLOW** Application Forms may not collect their share certificates, which will be deposited into CCASS for credit of their designated CCASS Participants' stock accounts or CCASS Investor Participant stock accounts, as appropriate. Uncollected share certificates and refund cheques will be despatched by ordinary post to the addresses specified in the relevant applications at the applicants' own risk. For more information, see "How to apply for the Hong Kong Public Offer Shares and Reserved Shares" in this prospectus.

(8) e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful application and also in respect of successful applications in the event that the final Offer Price is less than the initial price per Offer Share payable on application. Part of your Hong Kong identity card number/passport number or, if you are joint applicants, part of the Hong Kong identity card number/passport number of the first-named applicant, provided by you may be printed on your refund cheque, if any. Such data would also be transferred to a third party to facilitate your refund. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque. Inaccurate completion of your Hong Kong identity card number/passport number may lead to delay in encashment of your refund cheque or may invalidate your refund cheque. For more information, see "How to apply for the Hong Kong Public Offer Shares and Reserved Shares" in this prospectus.

You should read carefully the sections headed "Structure and Conditions of the Global Offering" and "How to apply for the Hong Kong Public Offer Shares and Reserved Shares" in this prospectus for details relating to the structure and Conditions of the Global Offering and how to apply for Hong Kong Public Offer Shares and Reserved Shares.

Share certificates are expected to be issued on Wednesday, December 18, 2019 but will only become valid certificates of title provided that the Global Offering has become unconditional in all respect and neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of share certificates or prior to the share certificates becoming valid certificates of title do so entirely at their own risk.

The **BLUE** Application Forms have been despatched to all Qualifying Times China Shareholders. In addition, a printed copy of this Prospectus will be despatched to all Qualifying Times China Shareholders to their address recorded on the register of members of Times China on the Record Date.

Qualifying Times China Shareholders may also obtain a printed copy of this prospectus, free of charge, during normal business hours from any of the designated branches of the receiving bank and the designated offices of each of the Hong Kong Underwriters as set out in "How to apply for the Hong Kong Public Offer Shares and Reserved Shares". Distribution of this prospectus and/or the **BLUE** Application Forms into any jurisdiction other than Hong Kong may be restricted by law. Persons into whose possession this prospectus and/or the **BLUE** Application Forms come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

This prospectus is issued by Times Neighborhood Holdings Limited solely in connection with the Hong Kong Public Offering and does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. The Company has not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on as having been authorized by the Company, the Sole Sponsor, the Sole Global Coordinator, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, representatives, employees, agents or professional advisors or any other person or party involved in the Global Offering.

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This summary aims to give you an overview of the information contained in this prospectus. Since it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by and should be read in conjunction with, the full prospectus. You should read this prospectus in its entirety before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors." You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are one of the leading and fast-growing comprehensive property management service providers in China. In 2019, we were ranked 13th among the Top 100 Property Management Companies in terms of overall strength* by CIA. In 2018, we were ranked 11th among the top 100 property management companies of China (物業服務企業綜合實力測評 TOP 100) in terms of overall strength by China Property Management Institute (中國物業管理協會). We stand out from the competition with our peers by our market tested service quality, brand reputation and diversified service offering. We have been awarded as one of the "Specialized Operational Leading Brand of China Properties Service Companies (中國物業服務專業化運營領先品牌企業)" by CIA for four consecutive years since 2016. As of June 30, 2019, we had 204 property management service projects under management with a total GFA under property management of over 34.7 million sq.m. and six municipal sanitation projects with a total GFA under management of over 8.0 million sq.m. Our property management service projects include projects for property management consisting of residential communities, industrial parks, commercial properties and office buildings, multi-purpose complexes, government buildings, public facilities, airports and educational institutions, located in 15 cities in the PRC. We have experienced rapid growth in recent years. Our net profit grew at a CAGR of 78.8% from 2016 to 2018, making us the fourth among the Top 20 Property Management Companies according to CIA. Our Listing will constitute a Spin-off from Times China Group.

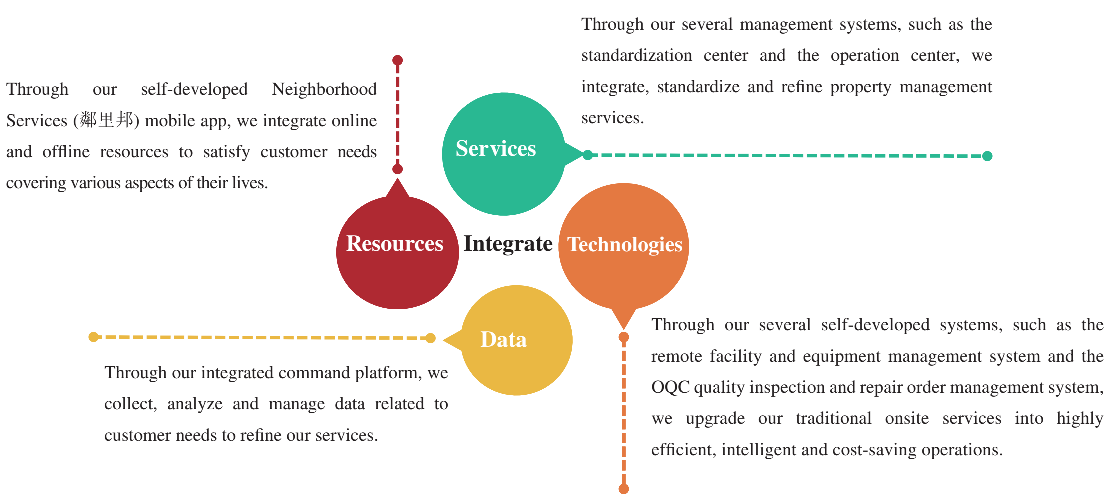
We are deeply rooted in the Guangdong-Hong Kong-Macao Greater Bay Area (the "**Greater Bay Area**"), an emerging vibrant world-class city cluster. Benefiting from favorable policies, the economy, in particular the real estate industry, of the Greater Bay Area has demonstrated great development potentials. As of December 31, 2018, out of our 90 projects under management across China, 83 were located in the Greater Bay Area, representing approximately 82.7% of our total GFA under management, which percentage was the highest among the Top 20 Property Management Companies in China according to CIA. According to CIA, among the Top 100 Property Management Companies, 38 were based in the Greater Bay Area in 2018, among which we had an approximately 0.74% market share in terms of GFA under management as of December 31, 2018 and were ranked 11th and seventh in terms of the overall strength and average revenue per sq.m., respectively, in 2018. As of June 30, 2019, out

* Each year, CIA publishes the Top 100 Property Management Companies, a ranking of property management companies in terms of overall strength based on data from the previous year on key factors such as management scale, operational performance, service quality, growth potential and social responsibility. See "Industry Overview—Background and Methodologies of CIA" in this prospectus.

of our 204 property management service projects under management and six municipal sanitation projects across China, 191 were located in the Greater Bay Area, representing approximately 87.7% of our total GFA under management.

Our services are closely tied to people's daily life, and we believe our core value lies in our ability to enable our customers to lead a safe, comfortable, healthy and convenient life. Through over 20 years of unremitting endeavors, we have become a comprehensive property management service provider capable of serving our customers' all-round needs.

We have established an "Integrated Property Management Ecosphere (融物業生態圈)," a comprehensive platform where we and our customers can interact to improve our performance and better satisfy our customers' needs. Our "Integrated Property Management Ecosphere (融物業生態圈)" is illustrated in the chart below:



During the Track Record Period, we generated a majority of revenue from management services provided to the properties developed by Times China Group, which amounted to RMB180.2 million, RMB255.0 million, RMB295.6 million and RMB192.0 million, respectively, in 2016, 2017, 2018 and the six months ended June 30, 2019, representing 81.2%, 77.1%, 73.2% and 64.9%, respectively, of our total revenue from management services for the same periods. During the Track Record Period, the aggregate amount of revenue derived from our four business lines, namely, property management services, value-added services to non-property owners, community value-added services and other professional services, from Times China Group was RMB120.5 million, RMB121.5 million, RMB216.6 million and RMB122.3 million, respectively, in 2016, 2017, 2018 and the six months ended June 30, 2019, which contributed to 32.3%, 23.4%, 31.1% and 26.8%, respectively, of our total revenue for the same periods. The descending contribution in percentage of the revenue from properties developed by Times China Group and the revenue from Times China Group demonstrated our continuous efforts to expand third-party customer base, which, together with the strong cooperation relationship with Times China Group, we believe has primarily contributed to our strong financial performance during the Track Record Period. Our revenue increased at a CAGR of 36.6% from RMB372.9 million in 2016 to RMB695.8 million in 2018 and increased by 48.1% from RMB307.6 million in the six months ended June 30, 2018 to RMB455.7 million in the six months ended June 30, 2019. Our net profit increased at a CAGR of 78.8% from RMB20.1 million in 2016 to RMB64.2 million in 2018 and increased by 50.7% from RMB27.8 million in the six months ended June 30, 2018 to RMB41.8 million in the six months ended June 30, 2019.

OUR BUSINESS MODEL

Our major services currently include:

- **Property management services.** We provide property developers, property owners and residents with a variety of property management services, primarily consisting of security, cleaning, gardening and repair and maintenance services. We have developed three service models: (i) the "Tulip" model to provide basic, high quality property management services to take care of property owners' and residents' daily needs, (ii) the "Sunflower" model to provide high quality "one-stop shop" butler services to property owners and residents round-the-clock, and (iii) the "Golden Lily" model to offer tailor-made services to high-end customers according to their needs and preferences. During the Track Record Period, we charged property management fees for all the properties under property management on a lump sum basis.

- **Value-added services to non-property owners.** We offer a broad range of property related business solutions to non-property owners, primarily property developers, which cover their entire property development process, consisting of (i) construction site services, including consultancy and security services, (ii) sales assistance services, which assist property developers in showcasing and marketing their properties, including pre-sale consultation, display unit management, organizing sales campaigns as well as visitor reception for property development projects, and (iii) pre-delivery cleaning services, including unit cleaning before delivery.

- **Community value-added services.** We provide customers, primarily property owners and residents, with a wide spectrum of community value-added services, including (i) public space leasing and parking space management; and (ii) resident services, which focus on the daily needs of property owners and residents, such as featured butler services, community shopping, community news and notifications, bill payment services, repair and maintenance of home appliances and event organization services. We provide these services either through our butlers' daily interactions with our customers offline or through our online service platform Neighborhood Services (鄰里邦) mobile app.

- **Other professional services.** Our other professional services, which differentiate us from our competitors, primarily consist of (i) elevator services, including sale, installation, repair and maintenance of elevators, (ii) intelligent engineering services, including intelligent communities, software development, management of hardware installation and certain maintenance services, and (iii) municipal sanitation services, including urban and rural road cleaning and waste management.

The table below sets forth a breakdown of our total revenue from related parties and independent third parties by business line for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	**221,821**	**59.5**	**330,533**	**63.7**	**404,071**	**58.1**	**194,585**	**63.3**	**295,828**	**64.9**
Related parties	15,758	4.2	24,316	4.7	31,111	4.5	13,847	4.5	26,117	5.7
Independent third parties	206,063	55.3	306,217	59.0	372,960	53.6	180,738	58.8	269,711	59.2
Value-added service to non-property owners	**104,190**	**27.9**	**100,379**	**19.3**	**196,689**	**28.3**	**70,316**	**22.9**	**116,985**	**25.7**
Related parties	104,190	27.9	96,716	18.6	188,840	27.1	64,792	21.1	110,705	24.3
Independent third parties	–	–	3,663	0.7	7,849	1.2	5,524	1.8	6,280	1.4
Community value-added services	**39,750**	**10.7**	**62,234**	**12.0**	**58,985**	**8.5**	**27,847**	**9.1**	**31,566**	**6.9**
Related parties	2,465	0.7	3,037	0.6	4,102	0.6	2,135	0.7	3,219	0.7
Independent third parties	37,285	10.0	59,197	11.4	54,883	7.9	25,712	8.4	28,347	6.2
Other professional services	**7,114**	**1.9**	**25,849**	**5.0**	**36,007**	**5.1**	**14,862**	**4.7**	**11,340**	**2.5**
Related parties	1,435	0.4	5,236	1.0	16,502	2.3	5,875	1.8	2,869	0.6
Independent third parties	5,679	1.5	20,613	4.0	19,505	2.8	8,987	2.9	8,471	1.9
Total	**372,875**	**100.0**	**518,995**	**100.0**	**695,752**	**100.0**	**307,610**	**100.0**	**455,719**	**100.0**

During the Track Record Period, the steady growth of our revenue was primarily attributable to (i) the fast expansion of our total GFA under management, which resulted from our continuous cooperation with Times China Group and our efforts to expand our customer base and diversify our property management portfolio by managing more non-residential properties; and (ii) our efforts to provide more diversified value-added and other professional services.

The following table sets forth our GFA under property management as of the dates, and total revenue generated from property management services from each region for the periods indicated.

	As of or for the year ended December 31,									As of or for the six months ended June 30,					
	2016			2017			2018			2018			2019		
	GFA	Revenue		GFA	Revenue		GFA	Revenue		GFA	Revenue		GFA	Revenue	
	(sq.m.)	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*
	(in thousands, except for percentages)														
Greater Bay Area	11,311	205,323	92.6	13,989	301,286	91.2	15,530	359,574	88.9	15,144	175,141	90.0	29,479	259,045	87.6
Other cities	1,755	16,498	7.4	2,057	29,247	8.8	3,240	44,497	11.1	2,356	19,444	10.0	5,199	36,783	12.4
Total	**13,066**	**221,821**	**100.0**	**16,046**	**330,533**	**100.0**	**18,770**	**404,071**	**100.0**	**17,500**	**194,585**	**100.0**	**34,678**	**295,828**	**100.0**

The significant increase in our GFA under property management as of June 30, 2019 was mainly attributable to the acquisition of Guangzhou Dongkang in March 2019, a reputable property management and municipal sanitation service provider in Guangdong province, which contributed GFA under property management of 13.4 million sq.m. to our portfolio.

The following table sets forth a breakdown of our GFA under property management as of the dates, our revenue generated from property management services by type of properties and average property management fee per sq.m. per month by types of properties for the periods indicated.

	As of or for the year ended December 31,												As of or for the six months ended June 30,							
	2016				2017				2018				2018				2019			
	GFA (sq.m.'000)	Revenue (RMB'000)	(%)	Average Property Management Fee (RMB)	GFA (sq.m.'000)	Revenue (RMB'000)	(%)	Average Property Management Fee (RMB)	GFA (sq.m.'000)	Revenue (RMB'000)	(%)	Average Property Management Fee (RMB)	GFA (sq.m.'000)	Revenue (RMB'000)	(%)	Average Property Management Fee (RMB)	GFA (sq.m.'000)	Revenue (RMB'000)	(%)	Average Property Management Fee (RMB)
Residential properties	7,351	163,681	73.8	2.23	8,989	239,600	72.5	2.32	10,764	283,107	70.1	2.39	9,785	138,632	71.2	2.37	12,956	184,016	62.2	2.50
Non-residential properties[(1)]	5,715	58,140	26.2	9.35	7,057	90,933	27.5	8.51	8,006	120,964	29.9	8.04	7,715	55,953	28.8	9.15	21,722	111,812	37.8	5.39
Total/Overall	**13,066**	**221,821**	**100.0**	**2.69**	**16,046**	**330,533**	**100.0**	**2.67**	**18,770**	**404,071**	**100.0**	**2.68**	**17,500**	**194,585**	**100.0**	**2.68**	**34,678**	**295,828**	**100.0**	**3.48**

Note:

(1) Include offices, commercial complexes, industrial parks, government office buildings, hospitals, airports, schools, museums, concert halls and parking spaces sold to property owners.

The average property management fees remained relatively stable in 2016, 2017 and 2018. The increase in the average property management fees in the six months ended June 30, 2019 was primarily attributable to a significant increase in GFA under management of non-residential properties, such as government buildings, museums and public facilities, as a result of our strategic acquisition of Guangzhou Dongkang in March 2019. Generally, management services provided for government buildings, museums and public facilities had relatively higher average property management fees than those for residential properties.

During the Track Record Period, we managed properties developed by Times China Group as well as properties developed by third-party property developers. The following table sets forth our GFA under property management as of the dates, revenue generated from property management by property developer and the average property management fee per sq.m. per month by property developer for the periods indicated.

	As of or for the year ended December 31,												As of or for the six months ended June 30,							
	2016				2017				2018				2018				2019			
	GFA	Revenue		Average Property Management Fee	GFA	Revenue		Average Property Management Fee	GFA	Revenue		Average Property Management Fee	GFA	Revenue		Average Property Management Fee	GFA	Revenue		Average Property Management Fee
	(sq.m.'000)	*(RMB'000)*	*%*	*(RMB)*	*(sq.m.'000)*	*(RMB'000)*	*%*	*(RMB)*	*(sq.m.'000)*	*(RMB'000)*	*%*	*(RMB)*	*(sq.m.'000)*	*(RMB'000)*	*%*	*(RMB)*	*(sq.m.'000)*	*(RMB'000)*	*%*	*(RMB)*
Times China Group[(1)]	10,007	180,186	81.2	2.95	11,962	254,952	77.1	2.98	13,356	295,634	73.2	3.05	12,704	140,598	72.3	3.03	15,279	191,969	64.9	3.13
Third-party property developers[(2)]																				
Properties solely developed by third-party property developers	3,059	41,635	18.8	2.25	4,084	75,581	22.9	2.20	4,702	105,631	26.1	2.13	4,084	52,781	27.1	2.16	18,687	102,250	34.6	3.72
Properties jointly developed by Times China Group and other property developers	–	–	–	–	–	–	–	–	712	2,806	0.7	1.72	712	1,206	0.6	1.72	712	1,609	0.5	1.72
Subtotal	3,059	41,635	18.8	2.25	4,084	75,581	22.9	2.20	5,414	108,437	26.8	2.12	4,796	53,987	27.7	2.14	19,399	103,859	35.1	3.69
Total/Overall	13,066	221,821	100.0	2.69	16,046	330,533	100.0	2.67	18,770	404,071	100.0	2.68	17,500	194,585	100.0	2.68	34,678	295,828	100.0	3.48

Notes:

(1) Includes properties solely developed by Times China Group and properties that Times China Group jointly developed with other property developers for which properties Times China Group held a controlling interest. In 2016, 2017 and 2018 and the six months ended June 30, 2019, revenue generated from Times China Group in relation to management of such properties amounted to RMB13.4 million, RMB14.3 million, RMB19.2 million and RMB19.4 million, respectively. During the same period, revenue we generated from property owners and residents in relation to management of such properties amounted to RMB166.8 million, RMB240.7 million, RMB276.4 million and RMB172.6 million, respectively.

(2) Includes properties solely developed by third-party property developers independent from Times China Group, as well as properties jointly developed by Times China Group and other property developers for which Times China did not hold a controlling interest. Properties developed by third-party property developers also include government-owned buildings and other public properties, which are constructed by third-party construction companies.

In 2016, 2017 and 2018, the average management fees per sq.m. per month for properties developed by Times China Group were higher than those of properties developed by third-party property developers, primarily because a significant portion of properties (mainly residential properties) developed by third-party property developers were "old communities," the property management fees of which were relatively lower than those of residential properties newly developed by Times China Group. In the six months ended June 30, 2019, there was a significant increase in the average management fees per sq.m. per month for properties solely developed by third-party property developers, primarily attributable to an increased portion of non-residential properties as a result of our acquisition of Dongkang in March 2019, which generally commanded higher average management fees than those of properties developed by Times China Group which primarily comprised residential properties. In 2018 and the six months ended June 30, 2019, our properties jointly developed by Times China Group and other property developers were located in third-tier cities. The property management fees for such properties were much lower than those of properties developed by Times China Group and solely developed by third-party property developers, some of which are located in first- and second-tier cities.

The table below sets forth the expiration schedule of our property management service contracts for properties under our management as of June 30, 2019:

	Contracted GFA	GFA under property management	Undelivered GFA
		(in thousands, sq.m.)	
Property management service contracts without fixed term[(1)]	23,068	18,060	5,008
Property management service contracts with fixed terms expiring in			
Year ending December 31, 2019	6,097	6,097	–
Year ending December 31, 2020	5,801	4,626	1,175
Year ending December 31, 2021	3,007	2,870	137
Year ending December 31, 2022 and beyond	7,015	3,025	3,990
Subtotal	**21,920**	**16,618**	**5,302**
Total	**44,988**	**34,678**	**10,310**

Note:

(1) Property management service contracts without fixed terms are generally preliminary property management service contracts entered into with property developers. They will usually terminate when property owners' associations are established and new property management service contracts are entered into.

The following tables set forth a breakdown of our cost of sales by nature for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Labor costs	169,178	59.1	218,621	56.1	286,642	56.7	140,700	62.9	225,614	67.7
Cleaning and gardening expenses	50,241	17.5	85,274	21.9	101,330	20.1	45,592	20.4	60,706	18.2
Maintenance costs	24,974	8.7	22,999	5.9	24,325	4.8	7,368	3.3	13,942	4.2
Other sub-contracting costs	16,138	5.6	21,029	5.4	46,662	9.2	12,993	5.8	11,827	3.5
Utilities costs	9,454	3.3	15,528	4.0	16,079	3.2	8,520	3.8	7,740	2.3
Inventory costs	3,617	1.3	2,404	0.6	3,441	0.7	1,279	0.6	1,110	0.3
Depreciation and amortization	5	–	1,582	0.4	1,651	0.3	788	0.4	952	0.3
Others	12,747	4.5	22,047	5.7	25,124	5.0	6,565	2.8	11,274	3.5
Total	**286,354**	**100.0**	**389,484**	**100.0**	**505,254**	**100.0**	**223,805**	**100.0**	**333,165**	**100.0**

The following table sets forth our gross profit and gross profit margin by business line for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	40,832	18.4	61,857	18.7	97,031	24.0	44,697	23.0	71,189	24.1
Value-added services to non-property owners	23,752	22.8	27,236	27.1	51,438	26.2	19,264	27.4	32,271	27.6
Community value-added services	20,439	51.4	33,952	54.6	32,914	55.8	16,060	57.7	16,925	53.6
Other professional services	1,498	21.1	6,466	25.0	9,115	25.3	3,784	25.5	2,169	19.1
Total/Overall	**86,521**	**23.2**	**129,511**	**25.0**	**190,498**	**27.4**	**83,805**	**27.2**	**122,554**	**26.9**

Our overall gross profit margin increased from 2016 to 2018, primarily attributable to economies of scale as a result of continuous expansion of our properties under management and value-added services to non-property owners. The slight decrease in our overall gross profit margin from the six months ended June 30, 2018 to the same period in 2019 was primarily due to a decrease in revenue contribution from public space leasing services under our community value-added services and elevator services under our other professional services. We took initiatives in the first of half of 2019 to negotiate with customers in our public space leasing business for more favorable terms and to optimize our business model relating to our elevator service business, which resulted in a temporary partial suspension of signing of new contracts and thus lower revenue was recorded. Please refer to "Financial Information—Description of Certain Combined Profit or Loss Statement Items—Gross profit and gross profit margin" in this prospectus.

OUR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of property developers, property owners and residents and governmental authorities. During the Track Record Period, our largest customer was Times China Group, to whom we provided property management services, value-added services to non-property owners and community value-added services. In 2016, 2017, 2018 and the six months ended June 30, 2019, revenue generated from services provided to Times China Group amounted to RMB120.5 million, RMB121.5 million, RMB216.6 million and RMB122.3 million, respectively, accounting for 32.3%, 23.4%, 31.1% and 26.8% of our total revenue, respectively. In 2016, 2017, 2018 and the six months ended June 30, 2019, revenue generated from services provided to our five largest customers amounted to RMB126.7 million, RMB136.8 million, RMB237.9 million and RMB133.7 million, respectively, accounting for 34.0%, 26.4%, 34.2% and 29.4% of our total revenue, respectively.

For all of our business lines, our suppliers are primarily sub-contractors providing cleaning, gardening and certain repair and maintenance services. In 2016, 2017, 2018 and the six months ended June 30, 2019, purchases from our five largest suppliers amounted to RMB43.7 million, RMB72.4 million, RMB109.6 million and RMB44.5 million, respectively, accounting for 15.3%, 18.6%, 21.7% and 13.3% of our total cost of sales, respectively.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have enabled us to achieve a competitive position in the property management industry in China and differentiated us from our competitors: (i) a leading property management service provider in China deeply rooted in the Greater Bay Area with visible growth potential; (ii) support from Times China Group and strong business development capability enhancing our competitiveness and fueling further expansion; (iii) a diversified service portfolio catering to various types of properties and customers and creating diversified revenue streams; (iv) rich experience in property management and quality service winning high customer satisfaction rate; (v) standardized and intelligent operations and advanced IT system realizing operational efficiency and customer experience improvement; and (vi) seasoned and innovative management team, competitive workforce and well-developed HR system supporting our sustainable growth.

OUR BUSINESS STRATEGIES

We plan to strengthen our position in China's property management industry by implementing the following strategies: (i) expand business scale and market share, and continuously solidify our industry leading position; (ii) continue to leverage our proven management system to achieve rapid business growth through strategic acquisitions and investments; (iii) further optimize our business model and control costs through digitalized management systems and automated operations; (iv) continue to provide diversified and differentiated value-added services to enhance customer experience and satisfaction; (v) focus on developing our other professional services; and (vi) continue to attract, cultivate and retain talent to support business growth.

SUMMARY KEY FINANCIAL INFORMATION

The following tables set forth our summary financial information as of the dates and for the periods indicated and should be read together with the combined financial information in Appendix I to this prospectus, including the accompanying notes, and the information set forth in the section entitled "Financial Information" in this prospectus.

Selected Items of Combined Statements of Profit or Loss

	For the year ended December 31,			For the six months ended June 30,	
	2016	**2017**	**2018**	**2018**	**2019**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Revenue	372,875	518,995	695,752	307,610	455,719
Gross profit	86,521	129,511	190,498	83,805	122,554
Profit before tax	30,259	46,863	86,586	37,060	56,808
Profit for the year/period	**20,065**	**34,175**	**64,164**	**27,768**	**41,845**

Selected Items of Combined Balance Sheets Information

	As of December 31,			As of June 30,
	2016	**2017**	**2018**	**2019**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Total non-current assets	153,453	179,061	178,034	221,028
Total current assets	323,286	697,262	3,468,376	2,160,578
Total current liabilities	461,172	825,942	2,086,130	850,193
Net current (liabilities)/assets	(137,886)	(128,680)	1,382,246	1,310,385
Total non-current liabilities	6,594	6,742	1,452,834	1,382,126
Total equity	8,973	43,639	107,446	149,287

We recorded a net current liabilities position as of December 31, 2016, primarily due to other payables due to related parties of RMB179.8 million. We reduced net current liabilities by RMB9.2 million from December 31, 2016 to December 31, 2017, primarily due to an increase in other receivables from related parties. See "Financial Information—Description of Certain Combined Balance Sheet Items" in this prospectus. A net current liability position may pose certain risks for our operations. See "Risk Factors—Risks Relating to Our Business and Industry—We recorded net current liabilities as of December 31, 2016 and 2017 and as of October 31, 2019 and had negative net operating cash flows for the year ended December 31, 2016 and the six months ended June 30, 2019, which could expose us to liquidity risks" in this prospectus.

We recorded significant amounts due to related party at the beginning of the Track Record Period and as of December 31, 2016 and 2017 primarily due to (i) the internal cash allocation plan of Times China Group; (ii) the funding needs as a result of strategic acquisitions of subsidiaries; and (iii) the funding needs as a result of the establishment of our integrated command platform (全國集成管控平台).

We recorded amounts due from related parties for cash advances to related parties during the Track Record Period. All related party balances which are non-trade in nature were fully settled as of the Latest Practicable Date. As of the Latest Practicable Date, we did not receive any penalties, investigation or notice from relevant competent authorities in relation to such borrowings between related parties. Our Directors confirm that our Group does not intend to have borrowing arrangement with related parties in the future. See "Financial Information—Description of Certain Combined Balance Sheet Items—Prepayments, Deposits and Other Receivables" in this prospectus.

Selected Combined Cash Flow Statements

	For the year ended December 31,			For the six months ended June 30,	
	2016	**2017**	**2018**	**2018**	**2019**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Operating cash flow before changes in working capital	40,065	60,092	101,487	46,163	69,583
Net cash flows (used in)/from operating activities	(4,383)	23,307	1,114,825	(2,803)	(847,434)
Net cash flows (used in)/from investing activities	(55,644)	(30,254)	(1,542,556)	(1,666,658)	108,916
Net cash flows from/(used in) financing activities	3,229	(3,439)	1,523,581	1,658,889	(139,435)
Net (decrease)/increase in cash and cash equivalents	(56,798)	(10,386)	1,095,850	(10,572)	(877,953)
Cash and cash equivalents at beginning of year/period	153,683	96,885	86,499	86,499	1,182,349
Cash and cash equivalents at end of year/period	**96,885**	**86,499**	**1,182,349**	**75,927**	**304,396**

In 2016, 2017, 2018 and the six months ended June 30, 2019, we had operating cash inflows before movements in working capital of RMB40.1 million, RMB60.1 million, RMB101.5 million and RMB69.6 million, respectively. We recorded net operating cash outflow in the six months ended June 30, 2019 of RMB847.4 million, primarily because we fully settled amounts due to a related party of RMB1.1 billion. We recorded net operating cash outflow in 2016 of RMB4.4 million, primarily due to an increase of trade receivables in line with our business expansion and an increase in amounts due from related parties. We recorded net operating cash outflows during the Track Record Period mainly due to changes in amounts due to/from related parties which were non-trade in nature. The related party balances which are non-trade in nature were fully settled as of the Latest Practicable Date. We mainly fund our operating activities through cash generated from our business activities. We believe our working capital will be sufficient in the near future, considering (i) the strategic acquisitions (including Guangzhou Wanning, Joan Elevator and Guangzhou Dongkang) we made during the Track Record Period which we expect to bring us stable cash inflows, (ii) the measures we have been taking to improve our collection of management service fees and advances of management fees from our customers, for more details regarding our management fee collection, please refer to "Business—Property Management Services—Property Management Fees—Payment Terms and Credit Terms" in the prospectus, (iii) full settlement of related party advances non-trade in nature as of the Latest Practicable Date and (iv) the proceeds we expect to receive from the Global Offering upon the Listing. See "Financial Information—Liquidity and Capital Resources—Cash Flow—Net Cash Flows (Used in)/from Operating Activities" in this prospectus. Negative net operating cash flows may require us to obtain sufficient external financing to meet our financial needs and obligations. See "Risk Factors—Risks Relating to Our Business and Industry—We recorded net current liabilities as of December 31, 2016 and 2017 and as of October 31, 2019 and had negative net operating cash flows for the year ended December 31, 2016 and the six months ended June 30, 2019, which could expose us to liquidity risks" in this prospectus.

Key Financial Ratios

The following table sets forth certain of our key financial ratios as of the dates and for the periods indicated:

	As of or for the year ended December 31,			As of or for the six months ended June 30,
	2016	2017	2018	2019
Current ratio	70.1%	84.4%	166.3%	254.1%
Adjusted current ratio(1)	70.1%	84.4%	96.5%	91.5%
Liabilities to assets ratio	98.1%	95.0%	97.1%	93.7%
Adjusted liabilities to assets ratio(1)	98.1%	95.0%	94.7%	82.6%
Gearing ratio(2)	55.7%	11.5%	1,494.7%	1,022.2%
Adjusted gearing ratio(1)(3)	55.7%	11.5%	4.7%	–
Return on total assets	5.2%	5.1%	2.8%	N/A
Adjusted return on total assets(1)	5.2%	5.1%	4.4%	N/A
Return on equity	248.9%	129.9%	84.9%	N/A

Notes:

(1) To supplement our combined financial statements which are presented in accordance with IFRS, we also use non-IFRS measures as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that such non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management considers to be not indicative of our operating performance. We believe that such measures provide useful information to investors and others in understanding and evaluating our results of operations in the same manner as they help our management. However, our presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation, or as substitute for analysis of, our results of operations or financial position as reported under IFRS.

(2) Gearing ratio was calculated based on the sum of interest-bearing debt as of the respective dates divided by total equity as of the same dates. Our gearing ratio increased to 1,497.7% as of December 31, 2018 primarily due to the entering of the asset-backed securities ("**ABS**") arrangement with Great Wall Securities Co., Ltd. ("長城證券股份有限公司"), a third-party securities company, in 2018 for the purpose of providing financing to Times China Group pursuant to Times China's instruction and as part of Times China's internal cash allocation plan, and decreased to 1,022.2% as of June 30, 2019 primarily because we repaid part of the ABS. See "Financial Information—Indebtedness" in this prospectus.

(3) Adjusted gearing ratio was calculated based on the sum of total interest-bearing debt as of the respective dates excluding the ABS divided by total equity as of the same date.

Please refer to "Financial Information—Summary of Key Financial Ratios" in this prospectus for the definitions and analysis of key financial ratios in the table above.

On May 18, 2018, we entered into an asset-backed securities ("**ABS**") arrangement with Great Wall Securities Co., Ltd. ("長城證券股份有限公司"), a third-party securities company, with an aggregate principal amount of RMB1,675.0 million for the purpose of providing financing to Times China Group pursuant to Times China's instruction and as part of Times China's internal cash allocation plan. The ABS were fully repaid as of October 31, 2019. Our Group does not intend to have any borrowing arrangement with related parties in the future. For further details on the ABS, please refer to "Financial Information—Indebtedness—ABS" and Note 27 of the Accountants' Report in Appendix I to this prospectus. To supplement our key financial ratios, we also present adjusted financial ratios as an additional financial measure to exclude the effect of the ABS, which were one-off in nature and were fully redeemed as of October 31, 2019. We believe that such measure facilitates comparisons of operating performance and financial position from period to period and company to company by eliminating potential impacts of items that our management considers to be not indicative of our ordinary operating performance or financial position. We believe that such measure provides useful information to investors and others in understanding and evaluating our operating performance and financial position in the same manner as they help our management. However, our presentation of the adjusted ratios may not be comparable to similarly titled measures presented by other companies. The use of such measures has limitations as an analytical tool, and you should not consider it in isolation, or unduly rely on such measures in making your investment decisions.

We recorded accumulated losses of RMB18.9 million as of January 1, 2016, which was primarily attributable to the operating expenses, mainly staff cost, incurred at the earlier stage of increasing market share and ranking of the property management business. At the earlier stage of our business operation, the property management business was complementary to

Times China's core business, i.e., property development. To increase market penetration within a short timeframe and to better support Times China's property development business, we have made significant investment in hiring qualified personnel and purchasing facilities and equipment at the earlier stage of increasing market share and ranking of our business operations before we took the initiative to spin off from Times China. The key initiative of the Spin-off, among others, is to allow a more focused development in the property management business for our Group. We have made continuous efforts to improve our financial performance and profitability as a result of a change to our business strategies for a more focused development in the property management business. We have improved our accumulated losses position thereafter and through market-oriental operations as evidenced by a number of successful acquisitions and continuous support from Times China Group throughout the Track Record Period, we have developed a diversified customer base and service offering and achieved a strong business growth by leveraging our competitive strengths as set out in the section headed "Business—Competitive strengths" in this prospectus.

GLOBAL OFFERING STATISTICS(1)

Offer size:	Initially 161,820,000 Shares comprising (i) 16,182,000 new Shares for subscription by the public in Hong Kong (subject to reallocation) and (ii) 145,638,000 new Shares offered for subscription under International Placing (including 80,909,048 Reserved Shares under Preferential Offering)
Offering structure:	Approximately 10% for the Hong Kong Public Offering (subject to reallocation) and approximately 90% for the International Placing (including the Preferential Offering)
Offer Price range	HK$4.23 to HK$5.80 per Offer Share, mid-point Offer Price HK$5.01

	Based on the minimum Offer Price of HK$4.23 per Offer Share	**Based on the maximum Offer Price of HK$5.80 per Offer Share**
Market capitalization of our Shares(1)	HK$3,844 million	HK$5,270 million
Unaudited pro forma adjusted combined net tangible asset value per Share(2)	HK$0.78	HK$1.06

(1) The calculation of market capitalization is based on 908,672,747 Shares expected to be in issue immediately upon completion of the Global Offering.

(2) The unaudited pro forma adjusted combined net tangible asset value per Share is calculated after making the adjustments referred to in "Appendix II—Unaudited Pro Forma Financial Information" to this prospectus.

USE OF PROCEEDS

We estimate that we will receive net proceeds of HK$769.2 million from the Global Offering, after deducting the underwriting commissions and other estimated expenses in connection with the Global Offering, assuming an Offer Price of HK$5.01 per Share (being the mid-point of the indicative Offer Price range set forth in this prospectus). We intend to use such net proceeds from the Global Offering for the following purposes: (i) approximately 65%, or HK$500.0 million, will be used to pursue selective strategic investment and acquisition opportunities and to further develop strategic alliances; (ii) approximately 15%, or HK$115.4 million, will be used to leverage advanced technologies and build intelligent communities that would improve service quality for our customers; (iii) approximately 10%, or HK$76.9 million, will be used to further develop our one-stop service platform; and (iv) approximately 10%, or HK$76.9 million, will be used for working capital and general corporate purpose. See "Future Plans and Use of Proceeds" in this prospectus.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

The Listing will constitute a spin-off from Times China Group. Upon completion of the Spin-off and the Listing, Times China will not retain any interest in our issued share capital and we will no longer be a subsidiary of Times China.

Immediately following the completion of the Spin-off (assuming the Reserved Shares under the Preferential Offering are fully taken up by Qualifying Times China Shareholders), Asiaciti Enterprises, which is owned as to 60% by Renowned Brand and 40% by East Profit, will directly hold approximately 56.06% of the issued share capital of our Company. Renowned Brand is wholly owned by Mr. Shum and East Profit is wholly owned by Mr. Shum's spouse, Ms. Li Yiping. As a result, Asiaciti Enterprises, Renowned Brand, East Profit, Mr. Shum and Ms. Li Yiping, constitute a group of our Controlling Shareholders.

Except as disclosed in "Relationship with Controlling Shareholders" in this prospectus, none of our Controlling Shareholders is interested in any business which is, whether directly or indirectly, in competition with our business. To ensure that competition will not exist in the future, our Ultimate Controlling Shareholders have entered into the Deed of Non-Competition in favor of our Company to the effect that each of them will not, and will procure each of their respective Close Associates (as defined in "Relationship with Controlling Shareholders" in this prospectus) not to, directly or indirectly participate in, or hold any right or interest, or otherwise be involved in any business which may be in competition with our business.

During the Track Record Period, our bid win rate with respect to properties developed by Times China Group was 100%, and our business scaled up in concert with the expansion of Times China Group. During the Track Record Period, we managed all of the properties developed by Times China Group. Our bid win rate with respect to properties developed by Times China Group may drop in the future as a result of the Spin-off after which we will cease to be a subsidiary of Times China Group. Nevertheless, our Group secures a majority of preliminary property management service contracts mainly through a standard tender process regulated by applicable PRC laws and regulations. Times China Group does not have any decisive influence over the selection (or replacement) of the property management service provider by the owners' associations. We believe that we are capable of carrying on our business independently from our Controlling Shareholders and their respective associates (other than our Group) after Listing due to our management, operational and financial independence. For further details, please refer to "Relationship with Controlling Shareholders—Independence from our Controlling Shareholders" in this prospectus.

We have entered into a number of agreements with our connected persons which will constitute continuing connected transactions under Chapter 14A of the Listing Rules upon Listing. For further details, please refer to "Connected Transactions" in this prospectus.

RECENT DEVELOPMENTS

Financial Performance

Based on preliminary internal data, both revenue and net profit experienced increases in the four months ended October 31, 2019 as compared with the same period in 2018.

Subsequent to June 30, 2019, as we settled, and expect to continue to settle, amounts due to related parties, we expect to record net operating cash outflows for the year ending December 31, 2019. In particular, as of October 31, 2019, we had fully repaid the ABS with the proceeds from the repayment by the related party of the loan to it. As a result of receipt of full repayment of such loan and the full repayment of the ABS, our current assets was reduced by RMB1,526.0 million, and our current liabilities and non-current liabilities was reduced by RMB157.0 million and RMB1,369.0 million, respectively. As such, we recorded a net current liability position after the ABS were fully repaid as of October 31, 2019. A net current liability position may pose certain risks for our operations. See "Risk Factors—Risks Relating to Our Business and Industry—We recorded net current liabilities as of December 31, 2016 and 2017 and as of October 31, 2019 and had negative net operating cash flows for the year ended December 31, 2016 and the six months ended June 30, 2019, which could expose us to liquidity risks" in this prospectus. Nevertheless, we believe the impact of the full redemption of the ABS on our liquidity position will be temporary for the following reasons:

- during the Track Record Period, our net current liabilities/assets position was mainly affected by amounts due to/from related parties. The related party balances which are non-trade in nature were fully settled as of the Latest Practicable Date.

- the increase of advances of property management fees in the six months ended June 30, 2019 as a result of our special anniversary promotional event demonstrates our ability to collect advance payments of management fees and other service fees from our customers, which we believe would have a positive effect on our working capital.

- during the Track Record Period, we made significant capital investments and investments in infrastructures, which, though resulted in significant cash outflows, we believe will help improve our profitability as well as liquidity position in the long run.

- we will continue to enhance our efforts to collect management fees from customers which would help improve our liquidity position.

- we will receive the net proceeds of the Global Offering upon the Listing.

See "Financial Information—Net Current Assets and Net Current Liabilities" in this prospectus.

Newly Contracted Properties

Subsequent to June 30, 2019 and as of the Latest Practicable Date, we signed contracts with an aggregate contract value of approximately RMB486.0 million with Times China Group to provide property management services for 10 properties and independent customers to provide property management services for 28 properties, including four schools, 17 residential properties, five governmental office buildings, nine commercial projects, a logistic park, a hospital and a public infrastructure project with an aggregate contracted GFA of approximately 5.2 million sq.m. which are located in Guangdong, Sichuan and Hunan provinces and Guangxi Zhuang Autonomous Region. We provide property management services, including security-cleaning, gardening and repair and maintenance services, for these projects. The material terms of such contracts were comparable to the contracts we entered into during the Track Record Period. Among these projects, the Logistics Hub Park (中國南部物流樞紐園區) in southern Qingyuan, Guangdong province is an intersection connecting Qingyuan and the Greater Bay Area, promoting the Guangzhou-Qingyuan Integration (廣清一體化) and establishing a logistics and supply chain hub in southern Qingyuan. Meanwhile, we also contracted to provide property management services to the Hong Kong-Zhuhai-Macao Bridge (港珠澳大橋) Zhuhai custom, a testament for our service quality and market recognition in the Greater Bay Area. During the same period, we signed a total of 19 contracts with an aggregate contract value of approximately RMB31.0 million to provide property management and value added services for urban redevelopment projects, including 11 projects of Times China Group and eight projects of third-party property developers, with an aggregate contracted GFA of 1.1 million sq.m. Most of such urban redevelopment projects are located in the Greater Bay Area. We provide a variety of services to urban redevelopment projects, such as cleaning, security, rent collection management and tenant management. Moreover, subsequent to June 30, 2019 and up to the Latest Practicable Date, we signed 62 elevator service contracts with an aggregate contract value of approximately RMB17.3 million, 20 intelligent engineering service contracts with an aggregate contract value of approximately RMB11.3 million, 12 pre-delivery cleaning service contracts with an aggregate contract value of approximately RMB10.9 million and 94 public facility and space leasing service contracts with an aggregate contract value of approximately RMB6.2 million, covering 13 cities.

The contract values are estimated or calculated based on the following assumptions:

- for property management service contracts:
    - we have not taken into account the likelihood of renewal of our property management service contracts upon the expiration of the current term albeit our high contract renewal rates during the Track Record Period;
    - for property management service contracts without fixed terms, we have assumed the term of management to be five years, in line with the average management period for the properties obtained during the Track Record Period; and
- for all the contracts entered subsequent to June 30, 2019, the contract values are calculated solely based on the terms of the contracts and our estimates, and we cannot guarantee that there will not be any material unexpected event or factor that will render us unable to perform such contracts in the manner we contemplate, collect service fees in the manner or amount we contemplate or claim contractual or other damages to which we expect to be entitled, any of which may reduce the income we could actually receive from such contracts to an amount lower than the contract values calculated or estimated.

Acquisition after the Track Record Period

After the Track Record Period, for the purpose of expanding our business, our Group has acquired the entire equity interest of Foshan Yixin. The acquisition was completed by end of September 2019 and Foshan Yixin has become a wholly-owned subsidiary of Guangzhou Times Property Management. For more details, see "History, Reorganization and Corporate Structure–Acquisition after the Track Record Period" in this prospectus.

Our Directors confirm that, since June 30, 2019 and up to the date of this prospectus, there had been no material adverse change in our financial, operational or trading position.

DIVIDEND

Declaration of dividends is subject to the discretion of our Directors, depending on our results of operations, cash flows, financial position, statutory and regulatory restrictions on the dividends paid by us, future prospects, as well as any other factors which our Directors may consider relevant. During the Track Record Period, we did not pay or declare any dividends. We have no policy for future dividend payments. Our Board has absolute discretion as to whether to declare any dividend for any year, and in what amount. We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends. See "Financial Information—Dividend Policy and Distributable Reserves" in this prospectus.

LISTING EXPENSES

The total listing expenses (including underwriting commissions) for the Listing of the Shares are estimated to be HK$41.5 million (assuming an Offer Price of HK$5.01 per Share, being the mid-point of the Offer Price), among which, HK$14.2 million is directly attributable to the issuance of Shares and will be charged to equity upon completion of the Listing, and approximately HK$27.3 million will be charged to our combined statements of profit or loss and other comprehensive income for the year ending December 31, 2019. During the six months ended June 30, 2019, we incurred listing expenses of HK$7.5 million, of which approximately HK$1.3 million was accounted for as a prepayment and will be subsequently charged to equity upon completion of the Listing and approximately HK$6.2 million was charged to our combined statements of comprehensive income for the six months ended June 30, 2019.

RISK FACTORS

Our operations involve certain risks, some of which are beyond our control. These risks can be broadly categorized into: (i) risks related to our business and industry; (ii) risks related to doing business in the PRC; and (iii) risks related to the Global Offering. Some of the risks generally associated with our business and industry include the following: (i) our future growth may not materialize as planned; (ii) we may recognize impairment losses for goodwill recorded in connection with our historical acquisitions; (iii) we may fail to secure new or renew our existing property management service contracts on favorable terms, or at all; (iv) our future acquisitions may not be successful; and (v) a substantial portion of our revenue is generated from property management services we provide in relation to Times China Group's property development projects.

These risks are not the only significant risks that may affect the value of our Shares. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific risks set forth in the section titled "Risk Factors" in this prospectus in deciding whether to invest in our Shares.

In this prospectus, unless the context otherwise requires, the following words and expressions have the following meanings. Certain technical terms are explained in "Glossary".

"Application Form(s)"	**WHITE** application form(s), **YELLOW** application form(s) and **GREEN** application form(s), or where the context so requires, any of such forms as used in the Hong Kong Public Offering and **BLUE** application form(s) relating to the Preferential Offering
"Articles of Association" or "Articles"	the amended and restated articles of association of the Company, conditionally adopted on December 3, 2019 and will come into effect upon Listing, as amended, supplemented or otherwise modified from time to time, a summary of which is set out in "Appendix III—Summary of the Constitution of the Company and Cayman Islands Company Law" to this prospectus
"Asiaciti Enterprises"	Asiaciti Enterprises Ltd. (豐亞企業有限公司), a limited liability company incorporated in the BVI on November 8, 2007, which is owned as to 60% by Renowned Brand and 40% by East Profit and one of our Controlling Shareholders
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Assured Entitlement"	the entitlement of the Qualifying Times China Shareholders to apply for the Reserved Shares on an assured basis pursuant to the Preferential Offering determined on the basis of their respective shareholdings in Times China on the Record Date
"Available Reserved Shares"	has the meaning ascribed to it in "Structure and Conditions of the Global Offering—The Preferential Offering—Basis of Allocation for Applications for Reserved Shares" in this prospectus
"Beneficial Times China Shareholders"	any beneficial owner of Times China Shares whose Times China Shares are registered, as shown in the register of members of Times China, in the name of a registered Times China Shareholder on the Record Date

"**BLUE** Application Form(s)"	the application form(s) to be sent to Qualifying Times China Shareholders to subscribe for the Reserved Shares pursuant to the Preferential Offering
"Board" or "Board of Directors"	the board of directors of the Company
"business day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
"BVI"	the British Virgin Islands
"CAGR"	compound annual growth rate, representing the year over year growth rate for a multi-period of time, calculating by computing the nth root of the ending value over beginning value then minus one, where n equals to the total number of periods
"Capitalization Issue"	the issue of Shares to be made upon capitalization of certain sum standing to the credit of the share premium account of the Company as referred to in "Appendix IV—Statutory and General Information—A. Further Information about our Company—3. Written Resolutions of our Shareholders Passed on December 3, 2019" to this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant

"China" or "PRC"	the People's Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires, references in this prospectus to "China" and the "PRC" do not include Taiwan, Macau Special Administrative Region and Hong Kong
"CIA"	China Index Academy, our industry consultant
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies Law"	the Companies Law (as revised) of the Cayman Islands, as amended, consolidated or supplemented from time to time
"Companies Ordinance" or "Hong Kong Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Times Neighborhood Holdings Limited (時代鄰里控股有限公司), an exempted company incorporated in the Cayman Islands as an exempted company with limited liability on July 12, 2019
"Company Law" or "PRC Company Law"	Company Law of the PRC (中華人民共和國公司法), as amended and adopted by the Standing Committee of the Tenth National People's Congress on October 27, 2005 and effective on January 1, 2006 and further amended on October 26, 2018 and effective on the same day, as amended, supplemented and otherwise modified from time to time
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and, unless the context otherwise requires, refers to Asiaciti Enterprises, Renowned Brand, East Profit, Mr. Shum and Ms. Li Yiping

"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the Chinese national securities markets
"Deed of Indemnity"	the deed of indemnity dated December 5, 2019 entered into by our Ultimate Controlling Shareholders in favor of our Company (for itself and as trustee for each of our subsidiaries) to provide certain indemnities, particulars of which are set out in "Appendix IV—Statutory and General Information—D. Other Information—1. Tax and Other Indemnities" to this prospectus
"Deed of Non-Competition"	the deed of non-competition dated December 5, 2019 entered into by our Ultimate Controlling Shareholders in favor of our Company (for itself and as trustee for each of our subsidiaries), particulars of which are set out in "Relationship with Controlling Shareholders" in this prospectus
"Director(s)"	director(s) of the Company
"Distribution"	the conditional special dividend declared by the board of Times China on November 15, 2019 to be satisfied by way of a distribution in specie of an aggregate of 746,852,747 Shares to the Qualifying Times China Shareholders, subject to the satisfaction of the conditions described in "The Spin-off and Distribution" in this prospectus
"Dongguan Wanning"	Dongguan Wanning Property Management Co., Ltd. (東莞市萬寧物業管理有限公司), a limited liability company established in the PRC on November 13, 2008 and an indirect wholly-owned subsidiary of our Company
"East Profit"	East Profit Management Limited, a limited liability company incorporated in the BVI on July 9, 2007, which is wholly owned by Ms. Li Yiping, one of our Controlling Shareholders
"EIT"	the PRC enterprise income tax

"EIT Law"	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), enacted on March 16, 2007, effective from January 1, 2008 and amended on February 24, 2017 and December 29, 2018 by the NPC
"extreme conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"FG Consulting"	FG Consulting (賽惟諮詢), a consulting firm specializing in the PRC real estate industry
"Foshan Hetai"	Foshan Shunde Hetai Property Management Co., Ltd. (佛山市順德區合泰物業管理有限公司), a limited liability company established in the PRC on July 29, 2002 and an indirect wholly-owned subsidiary of our Company
"Foshan Yixin"	Foshan Nanhai Yixin Property Management Co., Ltd. (佛山市南海區宜信物業管理有限公司), a limited liability company established in the PRC on February 18, 1998 and became an indirect wholly-owned subsidiary of our Company by the end of September 2019
"GDP"	gross domestic product
"Global Offering"	the Hong Kong Public Offering and the International Placing
"**GREEN** Application Form(s)"	The application form(s) to be completed by the **White Form eIPO** Service Provider, Computershare Hong Kong Investor Services Limited
"Group", "our Group", "we", "our" or "us"	the Company and its subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at that time
"Guangzhou Dongkang"	Guangzhou Dongkang Property Services Co., Ltd. (廣州東康物業服務有限公司), a limited liability company established in the PRC on June 3, 2004 and an indirect wholly-owned subsidiary of our Company

"Guangzhou Hemei Sichu"	Guangzhou Hemei Sichu Catering Co., Ltd. (廣州市和美私廚餐飲有限公司), a limited liability company established in the PRC on June 12, 2017, which was an indirect wholly-owned subsidiary of our Company and was deregistered on July 30, 2019
"Guangzhou Neighborhood Intelligent"	Guangzhou Neighborhood Intelligent Engineering Co., Ltd. (廣州市鄰里智能化工程有限公司), a limited liability company established in the PRC on December 22, 2015 and an indirect wholly-owned subsidiary of our Company
"Guangzhou Rongqi"	Guangzhou Rongqi Financial Leasing Co., Ltd. (廣州市融啟融資租賃有限公司), a limited liability company established in the PRC on September 23, 2015, which is owned as to 75% by Guangzhou Times Property Management and was deregistered on August 21, 2019
"Guangzhou Times Holdings"	Guangzhou Times Holdings Group Company Limited (廣州市時代控股集團有限公司), a limited liability company established in the PRC on May 9, 2001 and an indirect wholly-owned subsidiary of Times China
"Guangzhou Times Linlibang"	Guangzhou Times Linlibang Network Technology Co., Ltd. (廣州市時代鄰里邦網絡科技有限公司), a limited liability company established in the PRC on September 2, 2014 and an indirect wholly-owned subsidiary of our Company
"Guangzhou Times Neighborhood"	Guangzhou Times Neighborhood Corporate Governance Co., Ltd. (廣州市時代鄰里企業管理有限公司), a limited liability company established in the PRC on August 31, 2009 and an indirect wholly-owned subsidiary of our Company
"Guangzhou Times Neighborhood Capital Management"	Guangzhou Times Neighborhood Capital Management Co., Ltd. (廣州市時代鄰里資本管理有限公司), a limited liability company established in the PRC on November 29, 2017, which was an indirect wholly-owned subsidiary of our Company and was deregistered on July 16, 2019

"Guangzhou Times Neighborhood Elevator"	Guangzhou Times Neighborhood Elevator Engineering Co., Ltd. (廣州市時代鄰里電梯工程有限公司), a limited liability company established in the PRC on May 25, 2016 and was deregistered on July 12, 2019
"Guangzhou Times Property Management"	Guangzhou Times Property Management Co., Ltd. (廣州市時代物業管理有限公司), a limited liability company established in the PRC on December 18, 1998 and an indirect wholly-owned subsidiary of our Company
"Guangzhou Wanning"	Guangzhou Wanning Property Management Co., Ltd. (廣州萬寧物業管理有限公司), a limited liability company established in the PRC on February 28, 1995 and an indirect wholly-owned subsidiary of our Company
"Haitong International Capital" or "Sole Sponsor"	Haitong International Capital Limited, a licensed corporation to conduct Type 6 (advising on corporate finance) of the regulated activity for the purpose of SFO, being the sole sponsor to the Global Offering
"Haitong International Securities" or "Sole Global Coordinator" or "Sole Bookrunner"	Haitong International Securities Company Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 3 (leveraged foreign exchange trading) and Type 4 (advising on securities) regulated activities for the purpose of SFO, being the sole global coordinator, and the sole bookrunner, and a joint lead manager of the Global Offering
"HeungKong Financial"	HeungKong Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the purpose of SFO, being a joint lead manager of the Global Offering
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Public Offer Shares"	the 16,182,000 new Shares (subject to reallocation) being initially offered by our Company for subscription in the Hong Kong Public Offering, as described in "Structure and Conditions of the Global Offering"
"Hong Kong Public Offering"	the issue and offer of the Hong Kong Public Offer Shares for subscription by the public in Hong Kong for cash at the Offer Price (plus brokerage of 1%, Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.0027%) on and subject to the terms and conditions described in this prospectus and the Application Forms
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering, whose names are set out in the paragraph headed "Underwriting—Hong Kong Underwriters" in this prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement dated December 6, 2019 and entered into, among our Company, our Ultimate Controlling Shareholders, our executive Directors, the Sole Global Coordinator, the Sole Bookrunner, the Joint Lead Managers and the Hong Kong Underwriters relating to the Hong Kong Public Offering
"Independent Third Party(ies)"	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not connected with our Company or our connected persons as defined under the Listing Rules

"International Placing"	the placing of the International Placing Shares at the final Offer Price to professional, institutional and other investors, as described in "Structure and Conditions of the Global Offering"
"International Placing Shares"	the 145,638,000 new Shares offered by our Company for subscription under the International Placing, subject to reallocation, as described in "Structure and Conditions of the Global Offering"
"International Underwriters"	the underwriters of the International Placing, who are expected to enter into the International Underwriting Agreement
"International Underwriting Agreement"	the underwriting agreement expected to be entered into by, among others, our Company, our Ultimate Controlling Shareholders, our executive Directors, the Sole Global Coordinator, the Sole Bookrunner, the Joint Lead Managers and the International Underwriters relating to the International Placing
"Joan Elevator"	Joan Elevator (GuangDong) Co., Ltd., (廣東駿安電梯有限公司), a limited liability company established in the PRC on December 19, 1996 and owned as to 70% by Guangzhou Times Property Management, 21% by Ms. Wu Lanyun, an Independent Third Party save for her shareholding in Joan Elevator, and 9% by Mr. Wu Fei, an Independent Third Party
"Joint Lead Managers"	collectively Haitong International Securities Company Limited and HeungKong Securities Limited
"Latest Practicable Date"	November 30, 2019, being the latest practicable date for the purpose of ascertaining certain information in this prospectus prior to its publication
"Listing"	the listing of the Shares on the Main Board
"Listing Committee"	the listing sub-committee of the board of directors of the Hong Kong Stock Exchange
"Listing Date"	the date on which dealings in the Shares on the Main Board first commence

"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
"M&A Rules"	the Rules on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定), jointly issued by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), MOFCOM, SAT, SAMR, CSRC and SAFE on August 8, 2006 and re-issued by MOFCOM on June 22, 2009
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of the Company, adopted on December 3, 2019 and will come into effect upon listing, as amended, supplemented or otherwise modified from time to time, a summary of which is set out in Appendix III to this prospectus
"MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"MOHURD" or "Ministry of Construction"	the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) or its predecessor, the Ministry of Construction of the PRC (中華人民共和國建設部)
"Mr. Shum"	Mr. Shum Chiu Hung (岑釗雄), one of our Controlling Shareholders and the spouse of Ms. Li Yiping
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Neighborhood Services mobile app"	our Neighborhood Services (鄰里邦) mobile application providing access to our property management and value-added services

"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"Offer Price"	the offer price per Offer Share (exclusive of brokerage of 1%, Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.0027%) at which the Offer Shares are to be subscribed pursuant to the Global Offering, to be determined as further described in "Structure and Conditions of the Global Offering—Price Determination of the Global Offering"
"Offer Share(s)"	the Hong Kong Public Offer Shares and the International Placing Shares
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PBOC Benchmark Rate"	the exchange rate for foreign exchange transactions set daily by the PBOC based on the previous day's PRC inter-bank foreign exchange rates and with reference to prevailing exchange rates on the world financial markets
"Peace Power"	Peace Power Limited (泰宇有限公司), a limited liability company incorporated in Hong Kong on December 5, 2014 and an indirect wholly-owned subsidiary of our Company
"Power Voice"	Power Voice Limited (威聲有限公司), a limited liability company incorporated in the BVI on December 3, 2014 and a wholly-owned subsidiary of our Company
"PRC Government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and organizations of such government or, as the context requires, any of them
"PRC Legal Advisors"	Commerce & Finance Law Offices, legal advisors to the Company on PRC laws in connection with the Global Offering

"Preferential Offering"	the preferential offering to the Qualifying Times China Shareholders of the Reserved Shares (representing approximately 50.0% of the Offer Shares initially being offered under the Global Offering) as the Assured Entitlement out of the Shares offered under the International Placing at the Offer Price, on and subject to the terms and conditions set out in this prospectus and in the **BLUE** Application Form, as further described in "Structure and Conditions of the Global Offering—The Preferential Offering"
"Price Determination Date"	the date, expected to be on or around Thursday, December 12, 2019 but in any event not later than Monday, December 16, 2019, on which the Offer Price will be determined for the purposes of the Global Offering
"Principal Share Registrar"	Appleby Global Services (Cayman) Limited
"Province" or "province"	each being a province or, where the context requires, a provincial level autonomous region or municipality under the direct supervision of the PRC Government
"Qingyuan Rongtai"	Qingyuan Rongtai Property Management Co., Ltd. (清遠市榮泰物業管理有限公司), a limited liability company established in the PRC on January 16, 2008 and an indirect wholly-owned subsidiary of our Company
"Qingyuan Shengye"	Qingyuan Shengye Property Services Co., Ltd. (清遠盛業物業服務有限公司), a limited liability company established in the PRC on May 22, 2008 and an indirect wholly-owned subsidiary of our Company
"Qualifying Times China Shareholders"	Times China Shareholders whose names appeared on the register of members of Times China as at the Record Date
"Record Date"	December 2, 2019, being the record date for determining the entitlement of the Times China Shareholders to the Distribution and the Assured Entitlement of Qualifying Times China Shareholders of the Reserved Shares
"Regulation S"	Regulation S under the U.S. Securities Act
"Renminbi" or "RMB"	the lawful currency of the PRC

"Renowned Brand"	Renowned Brand Investments Limited (佳名投資有限公司), a limited liability company incorporated in the BVI on March 22, 2006, which is wholly owned by Mr. Shum, one of our Controlling Shareholders
"Reorganization"	the reorganization of our Group in preparation of the Listing, details of which are set out in "History, Reorganization and Corporate Structure" in this prospectus
"Reserved Shares"	the 80,909,048 Offer Shares being offered by our Company to Qualifying Times China Shareholders pursuant to the Preferential Offering as the Assured Entitlement, which are to be allocated out of the Shares being offered under the International Placing
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中國國家市場監督管理總局), including, as the context may require, its local counterparts
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
"SCNPC"	the Standing Committee of the NPC
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) with par value of HK$0.01 each in the share capital of the Company, which are to be traded in Hong Kong dollars and listed on the Main Board
"Shareholder(s)"	holder(s) of the Share(s)
"Spin-off"	the spin-off of our Company by way of Listing to be effected by the Distribution and the Global Offering
"sq.m."	the measurement unit of square meters

"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Times China"	Times China Holdings Limited (時代中國控股有限公司) (stock code: 1233), an exempted company incorporated in the Cayman Islands with limited liability on November 14, 2007, the share of which are listed on the Main Board of the Stock Exchange
"Times China Group"	Times China and its subsidiaries
"Times China Shareholders"	holders of Times China Shares
"Times China Shares"	ordinary shares in the issued share capital of Times China
"Track Record Period"	the period comprising the three years ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019
"Ultimate Controlling Shareholders"	Mr. Shum and Ms. Li Yiping (李一萍)
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States", "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Government"	the federal government of the United States, including its executive, legislative and judicial branches
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"US$", "USD" or "$"	U.S. dollars, the lawful currency of the United States
"VAT"	the PRC value-added tax

"**WHITE** Application Form(s)"	the application form(s) for those who require Hong Kong Offer Shares to be issued in the applicant's own name
"**White Form eIPO**"	The application of Hong Kong Public Offer Shares for issue in the applicant's own name by submitting applications online through the designated website at **www.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"Wisdom Sharp"	Wisdom Sharp Investments Limited (智銳投資有限公司), a limited liability company incorporated in the BVI on March 22, 2006 and a wholly-owned subsidiary of Times China
"**YELLOW** Application Form(s)"	the application form(s) for those who require Hong Kong Offer Shares to be deposited directly into CCASS
"Zhuhai Yuanxing"	Zhuhai Yuanxing Property Management Co., Ltd. (珠海市原興物業管理有限公司), a limited liability company established in the PRC on June 6, 2001 and an indirect wholly-owned subsidiary of our Company

Unless the content otherwise requires, references to "2016", "2017" and "2018" in this prospectus refer to our financial year ended December 31 of such year.

Certain amounts and percentage figures included in this prospectus were subjected to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

The English translation of PRC entities, enterprises, nationals, facilities and regulations in Chinese or another language in this prospectus is for identification purposes only. To the extent that there is any inconsistency between the Chinese names of PRC entities, enterprises, nationals, facilities and regulations and their English translations, the Chinese names shall prevail.

This glossary of technical terms contains terms used in this prospectus in connection with us and our business. Some of these terms and their meanings may not correspond to standard industry meanings or usage of such terms.

"average property management fee(s)"	calculated as the sum of the prices and property management fees per sq.m. specified under each of the property management service contracts as of the end of each relevant period divided by the total number of property management service contracts
"bid win rate"	the aggregate number of bids we won in a period divided by the aggregate number of bids we submitted in the same period
"commercial property(ies)"	for purposes of this prospectus, property(ies) designated for commercial use
"commission basis"	a revenue-generating model whereby we collect a percentage of the total amount of property management fees that our customers pay on a monthly basis
"common area(s)"	common areas in residential properties such as lobbies, hallways, stairways, public parking area, elevators and gardens, among others
"contracted GFA"	GFA managed or to be managed by our Group under our operating property management service contracts, including both GFA under property management and undelivered GFA
"first-tier cities," "new first-tier cities," "second-tier cities"	cities specified by China Business News as such; first-tier cities include Beijing, Shanghai, Shenzhen and Guangzhou; new first tier cities include Chengdu, Hangzhou, Chongqing, Wuhan, Suzhou, Xi'an, Tianjin, Nanjing, Zhengzhou, Changsha, Shenyang, Qingdao, Ningbo, Dongguan and Wuxi; second-tier cities include Kunming, Dalian, Xiamen, Hefei, Foshan, Fuzhou, Harbin, Jinan, Wenzhou, Changchun, Shijiazhuang, Changzhou, Quanzhou, Nanning, Guiyang, Nanchang, Nantong, Jinhua, Xuzhou, Taiyuan, Jiaxing, Yantai, Huizhou, Baoding, Taizhou, Zhongshan, Shaoxing, Urumchi, Weifang and Lanzhou

"GFA"	gross floor area
"GFA under property management"	GFA of properties that have been delivered, or are ready to be delivered by property developers, to property owners, for which we are already collecting property management fees in relation to contractual obligations to provide our services
"Internet of Things"	a network of physical objects and items embedded with electronics, software, sensors and network connectivity, which enables these objects to collect and exchange data
"lump sum basis"	a revenue-generating model for our property management business line whereby we charge property developers, property owners and residents a pre-determined property management fee per sq.m. for all units (whether sold or unsold) on a monthly basis which represents the "all-inclusive" fees for all of the property management services provided by our employees and sub-contractors
"MAU"	acronym for "monthly active user," calculated by counting the number of active users, i.e. users who log in our Neighborhood Services mobile app for at least once, during the calendar month in question
"residential communities" or "residential property(ies)"	properties which are purely residential or mixed-use properties containing residential units and ancillary facilities that are non-residential in nature such as commercial or office units but excluding pure commercial properties
"renewal rate"	the number of property management service contracts successfully renewed during the period divided by the total number of property management service contracts expired during the same period
"retention rate"	the aggregate number of properties under management during the period minus the number of properties we cease to manage during the same period, then divided by the aggregate number of properties under management during the period

"the Greater Bay Area"	the Guangdong-Hong Kong-Macao Greater Bay Area, a geographical region in China including Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen, Zhaoqing, the Special Administrative Regions of Hong Kong and Macao for purposes of this prospectus
"Top 100 Property Management Companies"	an annual ranking of China-based property management companies by overall strength published by CIA based on a number of key indicators, including management scale, operational performance, service quality, growth potential and social responsibility, which comprised 100, 100, 210, 200, 200 and 220 companies respectively, for rankings published in 2014, 2015, 2016, 2017, 2018 and 2019, respectively. The number of companies for 2016, 2017, 2018 and 2019 exceeded 100 as multiple companies with the same or very close scores were assigned the same ranking. Similar expressions should be constructed accordingly
"undelivered GFA"	the total GFA of properties that are not ready to be delivered to us for management under our property management service contracts, for which we have not begun collecting property management fees
"urban redevelopment"	references to "Urban Redevelopment" are to the urban redevelopment (三舊改造), a policy reform under the Opinions on Promoting Urban Redevelopment to Advance the Conservation of Land (《關於推進"三舊"改造促進節約集約用地的若干意見》) issued by the People's Government of Guangdong Province (廣東省人民政府) on August 25, 2009 to promote the redevelopment of "old towns" (舊城鎮), "old factories" (舊廠房) and "old villages" (舊村莊)

This prospectus contains certain forward-looking statements and information relating to the Company and its subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words "aim", "anticipate", "believe", "can", "continue", "could", "forecast", "expect", "going forward", "intend", "ought to", "may", "might", "plan", "potential", "predict", "project", "seek", "should", "will", "would" and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing the Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business prospects;
- future developments, trends and conditions in the industry and markets in which we operate;
- our business strategies and plans to achieve these strategies;
- our ability to identify and integrate suitable acquisition targets;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment and general outlook in the industry and markets in which we operate;
- the effects of the global financial markets and economic crisis;
- our ability to reduce costs;
- our dividend policy;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices in the industry and markets in which we operate;

- certain statements in "Financial Information" with respect to trends in prices, volumes, operations, margins, overall market trends, risk management and exchange rates; and

- other statements in this prospectus that are not historical facts.

This prospectus also contains market data and projects that are based on a number of assumptions. The markets may not grow at the rates projected by the market data, or at all. The failure of the markets to grow at the projected rates may materially and adversely affect our business and the market price of our Shares. In addition, due to the rapidly changing nature of the PRC economy and the property management industry, projections or estimates relating to the growth prospects or future conditions of the markets are subject to significant uncertainties. If any of the assumptions underlying the market data prove to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

We do not guarantee that the transactions and events described in the forward-looking statements in this prospectus will happen as described, or at all. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risks and uncertainties set forth in the section entitled "Risk Factors" in this prospectus. You should read this prospectus in its entirety and with the understanding that actual future results may be materially different from what we expect. The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made or, if obtained from third-party studies or reports, the dates of the respective studies or reports. Since we operate in an evolving environment where new risks or uncertainties may emerge from time to time, you should not rely upon forward-looking statements as predictions of future events. We undertake no obligation, beyond what is required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even when our situation may have changed.

An investment in our Shares involves various risks. You should carefully consider the following information about risks, together with the other information contained in this prospectus, including our combined financial statements and related notes, before you decide to purchase our Shares. If any of the circumstances or events described below actually arises or occurs, our business, results of operations, financial position and prospects would likely suffer. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment. You should also pay particular attention to the fact that our subsidiaries in China are located in a legal and regulatory environment that in some respects differ significantly from that of other countries. For more information concerning the PRC legal and regulatory system and certain related matters discussed below, see "Regulatory Overview" in this prospectus.

We believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry; (ii) risks relating to conducting business in the PRC; (iii) risks relating to the Global Offering. Additional risks and uncertainties that are not presently known to us or that we currently deem immaterial may develop and become material and could also harm our businesses, financial position and results of operations.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our future growth may not materialize as planned.

We have been seeking to expand our business since our inception through organic growth as well as acquisitions of other companies. As of December 31, 2016, 2017 and 2018 and June 30, 2019, the properties which we managed (excluding municipal sanitation service projects) had an aggregate GFA of 13.1 million sq.m., 16.0 million sq.m., 18.8 million sq.m. and 34.7 million sq.m., respectively.

We seek to continue to expand through increasing the total GFA and the number of properties we manage in existing and new markets, including properties developed by Times China Group and third-party property developers. See "Business—Business Strategies—Expand Business Scale and Market Share, and Continuously Solidify our Industry Leading Position" in this prospectus. However, our expansion plans are based upon our assessment of market prospects. We cannot assure you that our assessment will prove to be correct or that we can grow our business as planned. Our expansion plans may be affected by a number of factors, most of which are beyond our control. Such factors include:

- changes in China's economic condition in general and the real estate market in particular;
- changes in disposable personal income in the PRC;

- changes in government regulations or policies;
- changes in the supply of and demand for property management and value-added services;
- our ability to develop and strengthen collaborative relationship with property developers and property owners in addition to Times China Group;
- our ability to generate sufficient liquidity internally and obtain external financing;
- our ability to recruit and train competent employees;
- our ability to select and work with suitable sub-contractors and suppliers;
- our ability to understand the needs of residents in the properties where we provide property management services;
- our ability to diversify our service offering and to optimize our business mix;
- our ability to adapt to new markets where we have no prior experience including our ability to the administrative, regulatory and tax environments in such markets;
- our ability to solidify our market position in existing market and our ability to leverage our brand names and to compete successfully in new markets, particularly against the incumbent players in such markets who might have more resources and experience than us; and
- our ability to improve our administrative, technical, operational and financial infrastructure.

We cannot assure you that our future growth will materialize or that we will be able to manage our future growth effectively, and failure to do so may have a material adverse effect on our business, financial position and results of operations.

As we expand our business operations into new geographic regions and broaden the range of services we perform, we are subject to an increasing number of provincial and local rules and regulations. In addition, because the size and scope of our operations increased significantly during the Track Record Period, the difficulty in ensuring compliance with the various local property management regulations and the potential for loss resulting from non-compliance have increased. If we fail to comply with applicable local regulations, we may be subject to penalties or other liabilities. For example, some of our PRC subsidiaries experienced delay in tax filings or tax registration in the past and were imposed fines in an aggregate amount of approximately RMB0.2 million by the relevant competent tax authorities. We have paid the fines and made the relevant filings within the prescribed time. The laws and regulations applicable to our business, whether national, provincial or local, may also change in ways that materially increase the costs of compliance, and any failure to comply could result in significant financial penalties which could have a material adverse effect on our business, financial position and results of operations.

Our future acquisitions may not be successful.

We plan to continue to evaluate opportunities to acquire other property management companies and other businesses that are complementary to our existing business and integrate their operations into our business. However, we cannot assure you that we will be able to identify suitable opportunities.

Even if we manage to identify suitable opportunities, we may not be able to complete the acquisitions on terms favorable or acceptable to us, in a timely manner, or at all. The inability to identify suitable acquisition targets or complete acquisitions could materially and adversely affect our competitiveness and growth prospects.

Acquisitions that we complete also involve uncertainties and risks, including, without limitation:

- inability to apply our business model or standardized business processes on the acquisition targets;
- failure to achieve the intended objectives, benefits or revenue-enhancing opportunities;
- assumption of debt and liabilities of the acquired companies, some of which may not have been revealed during the due diligence process; and
- diversion of resources and management attention.

Approximately 65%, or HK$500.0 million, of the net proceeds raised from the Global Offering will be used to pursue selective strategic investment and acquisition opportunities and further develop strategic alliances. See the section entitled “Future Plans and Use of Proceeds—Use of Proceeds” in this prospectus. If we fail to identify suitable acquisition opportunities or our future acquisition transactions fail to consummate for other reasons which may be beyond our control, our proceeds from the Global Offering may not be effectively used.

Moreover, we may require additional cash resources to finance our continued growth or other future developments, including any investments or acquisitions we may decide to pursue. To the extent that our funding requirements exceed our financial resources, we will be required to seek additional financing or to defer planned expenditures. Furthermore, if we raise additional funds through equity or equity-linked financings, your equity interest in our Company may be diluted. Alternatively, if we raise additional funds by incurring debt obligations, we may be subject to various covenants under the relevant debt instruments that may, among other things, restrict our ability to pay dividends or obtain additional financing. Servicing such debt obligations could also be burdensome to our operations. If we fail to service such debt obligations or are unable to comply with any of these covenants, we could be in default under such debt obligations and our liquidity and financial condition could be materially and adversely affected.

A significant portion of our operations are concentrated in the Greater Bay Area, and we are susceptible to any adverse development in government policies or business environment in this region.

We focus on cities with high population densities in economically developed regions, and a significant portion of our operations are concentrated in the Greater Bay Area. As of December 31, 2016, 2017 and 2018 and June 30, 2019, we managed an aggregate GFA (excluding municipal sanitation services) of approximately 11.3 million sq.m., 14.0 million sq.m., 15.5 million sq.m. and 29.5 million sq.m., respectively, of properties in the Greater Bay Area, which accounted for approximately 86.6%, 87.2%, 82.7% and 85.0%, respectively, of our total GFA of properties we managed as of such dates, and 92.6%, 91.2%, 88.9% and 87.6% of our total revenue derived from property management services in 2016, 2017, 2018 and the six months ended June 30, 2019, respectively. Due to such concentration, any adverse development in government policies or business environment in these regions will materially and adversely affect our business, financial position and results of operations. Our operations rely heavily on the development of the Greater Bay Area in the following factors, most of which are beyond our control:

- changes in the economic condition, the level of economic activity and the real estate market in the Greater Bay Area;
- the future development prospects of the Greater Bay Area;
- changes in government regulations and policies regarding the property management industry in the Greater Bay Area; and
- our ability to compete with other property management companies operating in the Greater Bay Area.

We generated revenue from property management services on a lump sum basis. We may be subject to losses if we fail to estimate or control our costs in performing our property management services.

We generated all the revenue from property management services on a lump sum basis during the Track Record Period. On a lump sum basis, we charge property management fees at a pre-determined fixed lump sum price per sq.m. per month, representing "all-inclusive" fees for the property management services provided. These property management fees do not change with the actual amount of property management costs we incur. We recognize as revenue the full amount of property management fees we charge to the property owners or property developers, and recognize as our cost of sales the actual costs we incur in connection with rendering our services. Our profitability depends on our ability to estimate or control our costs in performing our property management services. See the sections entitled "Business—Property Management Services—Property Management Fees—Property Management Fees Charged on a Lump Sum Basis" and "Financial Information—Significant Accounting Policies, Critical Accounting Judgments and Estimates" in this prospectus.

In the event that the amount of property management fees that we charge is insufficient to cover all the costs for property management service we incur, we are not entitled to collect the shortfall from the relevant property owners or property developers. As a result, we may suffer losses. We incurred loss in an aggregate amount of RMB1.8 million, RMB1.5 million, RMB0.6 million and RMB0.4 million, respectively, with respect to two, four, four and four properties, respectively, which were managed on a lump sum basis for 2016, 2017, 2018 and the six months ended June 30, 2019. The aggregate revenue generated from such loss-making properties was RMB16.7 million, RMB19.9 million, RMB14.6 million and RMB7.0 million, respectively, for 2016, 2017, 2018 and the six months ended June 30, 2019, representing approximately 4.5%, 3.8%, 2.1% and 1.5%, respectively, of our total revenue for the same periods.

If we are unable to raise property management fees to fully cover the property management costs we incur, we would seek to cut costs with a view to reducing the loss. However, our ability to mitigate against such losses through cost-saving initiatives such as operation automation measures to reduce labor costs and energy-saving measures to reduce energy costs may not be successful, and our cost-saving efforts may negatively affect the quality of our property management services, which in turn would further reduce the owners' willingness to pay us the property management fees.

We have a limited operating history in our elevator, intelligent engineering and municipal sanitation businesses, which are subject to various regulatory requirements.

We began to provide intelligent engineering, elevator and municipal sanitation services in December 2015, September 2016 and March 2019, respectively. We have a short operating history in the aforementioned businesses, and you should consider our prospects in light of the risks, expenses and challenges that we may face as an early-stage company with limited experience operating such businesses in a competitive market. We may encounter risks and difficulties frequently experienced by early-stage businesses, and those risks and difficulties may be heightened in a rapidly evolving market. Some of the risks affect our ability to:

- retain customers and qualified employees;
- maintain effective control of our development as well as operating costs and expenses;
- develop and maintain internal personnel, systems, controls and procedures to comply with the extensive regulatory requirements applicable to the relevant industries;
- respond to competitive market conditions in the relevant industries; and
- respond to changes in our regulatory environment.

Our failure to achieve any of the above may jeopardize our ability to operate our elevator, intelligent engineering and municipal sanitation businesses in the manner we contemplate, which in turn may have a material adverse effect on our business and prospects, financial position, results of operations and liquidity.

As part of our business optimization initiative, in the six months ended June 30, 2019, we started negotiation with an elevator supplier and certain elevator purchasers, aiming to expand our elevator services to include the business of bulk purchasing and distributing elevator sets in order to procure large orders from property developers and to obtain more flexibility in pricing our elevator installation services. As we were in a transition period for such business model adjustment, we experienced a decrease in revenue from elevator services in the six months ended June 30, 2019 as compared with the same period in 2018. See "Business—Other Professional Services—Elevator Services" in this prospectus. Moreover, we cannot assure you that we would be able to reach agreements with elevator suppliers and elevator purchasers, or such change in business model would bring the benefits expected, in which case our elevator services and results of operations may be materially and adversely affected.

Moreover, our elevator, intelligent engineering and municipal sanitation businesses services are subject to various regulations and requirements. Compliance with such regulations requires additional management attention and efforts. However, we cannot assure you that our efforts to comply with such regulations will always be successful. Any failure to comply with such regulations may materially and adversely affect our business results of operations and financial position.

A substantial portion of our revenue is generated from property management services we provide in relation to Times China Group's property development projects.

During the Track Record Period, a substantial portion of our property management service contracts were related to the management of properties developed by Times China Group. In 2016, 2017, 2018 and the six months ended June 30, 2019, revenue generated from property management services provided to the properties developed by Times China Group accounted for approximately 81.2%, 77.1%, 73.2% and 64.9%, respectively, of our revenue generated from property management services.

During the Track Record Period, our bid win rate with respect to properties developed by Times China Group was 100%, and our business scaled up in concert with the expansion of Times China Group. During the Track Record Period, we managed all of the properties developed by Times China Group. However, we do not have control over Times China Group's management strategy, nor the macro-economic or other factors that affect their business operations. Upon completion of the Spin-off and the Listing, Times China will not retain any interest in our issued share capital and we will no longer be a subsidiary of Times China. Our bid win rate with respect to properties developed by Times China Group may drop in the future as a result of the Spin-off after which we will cease to be a subsidiary of Times China Group. We would lose business opportunities if Times China Group suffers adverse developments that materially affect its property development efforts. There is no assurance that we will be able to procure property management service contracts from alternative sources to make up for the shortfall in a timely manner or on favorable terms. We also cannot guarantee that we will be successful in any efforts to diversify our customer base. In addition, there is no assurance that all of our property management service contracts with Times China Group will be renewed successfully upon their expiration. Should any of these events occur, we may experience a material adverse effect on our results of operations, financial position and growth prospects.

We may fail to secure new or renew our existing property management service contracts on favorable terms, or at all.

We believe that our ability to expand our portfolio of property management service contracts is key to the sustainable growth of our business. During the Track Record Period, we procured new property management service contracts primarily through tender processes. The selection of a property management company depends on a number of factors, including but not limited to the quality of services, the level of pricing and the operating history of the property management company. Our efforts may be hindered by factors beyond our control, which may include, among others, changes in general economic conditions, evolving government regulations as well as supply and demand dynamics within the property management industry. We cannot assure you that we will be able to procure new property management service contracts in the future on acceptable terms or at all.

We usually enter into preliminary property management service contracts with real estate developers during the later stages of property development. We cannot assure you that we will be able to maintain on high success rate in winning such preliminary property management service contracts in relation to property projects developed by Times China Group or others. In addition, such contracts are transitional in nature and facilitate the transfer of legal and actual control of the properties from property developers to property owners. Preliminary property management service contracts typically expire when property owner associations are established and request to enter into new property management service contracts. As of June 30, 2019, property owner associations were established in 25 residential communities we managed, accounting for approximately 12.3% of the total number of communities we managed. As of June 30, 2019, our property management service contracts with an aggregate contracted GFA of 23.1 million sq.m. did not indicate expiration dates, while the remaining property management service contracts with an aggregate contracted GFA of 21.9 million sq.m. had terms ranging from one to five years. See “Business—Property Management Services—Property Management Service Contracts” in this prospectus. Although, as advised by our PRC Legal Advisors, the establishment of property owner associations and the change of property management service providers are subject to certain restrictions, we cannot assure you that these restrictions will not be relaxed or removed in the future. Further, we cannot assure you that we will be engaged by the property owner associations to provide property management services. There is no guarantee that property owner associations will enter into property management service contracts with us instead of our competitors. Our customers select us based on parameters such as quality and cost, and we cannot assure you that we will always be able to balance them on favorable terms for both sides.

Even where we succeed in entering into property management service contracts with property owner associations, we cannot guarantee that they will be renewed upon expiration. It is also possible that they may be terminated for cause. In such cases, we would no longer be able to provide community value-added services to residential communities who have terminated our engagements, in addition to our property management services. In 2016, 2017, 2018 and the six months ended June 30, 2019, our retention rates for property management service contracts were 100%, 98.8%, 97.8% and 97.6%, respectively. Our retention rates for 2017, 2018 and the six months ended June 30, 2019 were lower than 100%, primarily because we voluntarily opted out of certain contracts due to their low profit margins. In 2016, 2017, 2018 and the six months ended June 30, 2019, our renewal rates for property management service contracts were 100%, 92.3%, 94.4% and 100%, respectively. Our renewal rates in both 2017 and 2018 were lower than 100%, primarily because we chose to not renew certain property management service contracts due to their low profit margins. There is no guarantee that we would be able to find other business opportunities and enter into alternative property management service contracts on favorable terms, or at all. Moreover, as both termination and non-renewal may be detrimental to our reputation, we may experience material adverse effects to our brand value. We believe that our brand value is essential to our ability to procure new property management service contracts. Failure to cultivate our brand value may diminish our competitiveness within the industry.

We may fail to achieve the desired benefits from our acquisitions and may need to recognize impairment losses for goodwill recorded in connection with our historical acquisitions.

During the Track Record Period, we acquired certain subsidiaries, including Guangzhou Wanning, Foshan Hetai Property Management, Zhuhai Yuanxing Property Management, Joan Elevator, Guangzhou Dongkang and Qingyuan Rongtai Property Management. We may face difficulties in integrating the acquired operations with our existing business, particularly when integrating their existing workforce with ours. Our ability to integrate the acquired businesses may be affected by a variety of factors. These factors include, but are not limited to, the complexity and size of the acquired business, the risks of operating in new markets, unfamiliarity with new regulatory regimes, differences in corporate cultures, the inability to retain the acquired business's personnel, as well as additional hidden costs associated with the acquisition. As a result, we cannot assure you that our acquisitions would achieve our desired strategic objectives or the expected return on investment.

We recorded goodwill in the amount of RMB47.2 million, RMB47.2 million, RMB47.2 million and RMB68.8 million as of December 31, 2016, 2017 and 2018 and June 30, 2019, respectively, in connection with our acquisition of Guangzhou Wanning, Foshan Hetai, Zhuhai Yuanxing, Joan Elevator, Guangzhou Dongkang and Qingyuan Rongtai, which amount accounted for 9.9%, 5.4%, 1.3% and 2.9%, respectively, of the total assets as of December 31, 2016, 2017 and 2018 and June 30, 2019. This reflects the difference between the total cash consideration of RMB132.5 million paid for Guangzhou Wanning, Foshan Hetai, Zhuhai Yuanxing, Joan Elevator, Guangzhou Dongkang and Qingyuan Rongtai and their total fair value of identifiable net assets of RMB63.7 million. See "Financial Information—Description of Certain Combined Balance Sheet Items—Goodwill" in this prospectus. We generally test goodwill for impairment annually. Impairment losses are recognized when the carrying amount of an asset exceeds its estimated recoverable amount. In making impairment assessments, estimated future cash flows are discounted to their present value using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the asset. Changes in the assumptions made with respect to estimated future cash flows or pre-tax discount rates may lower the estimated recoverable amount of an asset in comparison to its carrying amount. However, our ability to generate cash flow from our acquired assets will depend on our ability to realize the intended objectives, potential benefits or other revenue-enhancing opportunities that motivated our acquisition of these assets, as well as our ability to effectively integrate their business operations with our own. In the event that we are unsuccessful in achieving the aforementioned, we may have to record impairment losses to our goodwill. This may in turn result in an adverse effect on our financial position and results of operations.

Increase in labor costs and sub-contracting costs could harm our business and reduce our profitability.

In 2016, 2017, 2018 and the six months ended June 30, 2019, our labor costs recorded as cost of sales accounted for 59.1%, 56.1%, 56.7% and 67.7%, respectively, of our total cost of sales. During the same periods, our sub-contracting costs represented 22.4%, 22.6%, 24.4% and 16.8%, respectively, of our total cost of sales. To maintain and improve our profit margins, it is critical for us to control and reduce our labor costs as well as other operating costs. We face pressure from rising labor and sub-contracting cost due to various contributing factors, including but not limited to:

- **increases in minimum wages.** The minimum wage in the regions where we operate has increased substantially in recent years, directly affecting our direct labor costs as well as the fees we pay to our third-party sub-contractors.

- **increases in headcount.** As we expand our operations, the headcount of our property management staff, sales and marketing staff and administrative staff will continue to grow. We will also need to retain and continuously recruit qualified employees to meet our growing demand for talent, which will further increase our total headcount. Moreover, as we continue to expand our business scale, we will need a growing number of sub-contractors. This increase in headcount also increased other associated costs such as those related to training, social insurance and housing provident funds contributions and quality control measures.

- **delay in implementing management digitalization, service professionalization, procedure standardization and operation automation.** There is a lapse in time between our commencement of property management services for a particular property and any implementation of our management digitalization, service professionalization, procedure standardization and operation automation measures to that property to reduce labor costs. Before we carry out such measures, our ability to mitigate the impact of labor cost increase is limited.

We cannot assure you that we will be able to control our costs or improve our efficiency. If we cannot achieve this goal, our business, financial position and results of operations may be materially and adversely affected.

We may not be able to collect property management fees from property owners and property developers and as a result, may incur impairment losses on receivables.

We may encounter difficulties in collecting property management fees from property owners especially in communities where the vacancy rate is relatively high. Even though we seek to collect overdue property management fees through a number of collection measures, we cannot assure you that such measures will be effective or enable us to accurately predict our future collection rate.

Our allowance for impairment of trade receivables amounted to RMB5.5 million, RMB8.2 million, RMB9.9 million and RMB12.9 million as of December 31, 2016, 2017 and 2018 and June 30, 2019, respectively. Our collection rate of property management fees, calculated by dividing the property management fees we actually received during a period by the total property management fees payable to us accumulated during the same period, was 90.3%, 88.5%, 89.0%, 82.9% and 85.7%, respectively, in 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019. In 2016, 2017, 2018 and the six months ended June 30, 2019, our trade receivable turnover days of related parties were 180, 294, 207 and 202 days, respectively, and our trade receivable turnover days of Independent Third Parties were 26, 28, 33 and 38 days, respectively. The overdue trade receivables due from Times China Group will be fully settled before the Listing and Times China Group will settle all our trade receivables, on a regular basis after the Listing. See "Financial Information—Description of Certain Combined Balance Sheet Items—Trade Receivables" in this prospectus. Although our management's estimates and the related assumptions have been made in accordance with information available to us, such estimates or assumptions may need to be adjusted if new information becomes known. See "Financial Information—Significant Accounting Policies, Critical Accounting Judgments and Estimates—Provision for Expected Credit Losses on Trade Receivables" in this prospectus. In the event that the actual recoverability is lower than expected, or that our past allowance for impairment of trade receivables becomes insufficient in light of any new information, we may need to provide for an additional allowance for impairment of trade receivables, which may in turn materially and adversely affect our business, financial position and results of operations.

In addition, before allowance for impairment of trade receivables, our trade receivables are RMB129.7 million, RMB147.9 million, RMB222.0 million and RMB246.9 million as of December 31, 2016, 2017 and 2018 and June 30, 2019, respectively, the increase of which was primarily due to our business expansion.

Delays in receiving payments from, or non-payment by property developers, party property owners and property residents would adversely affect our cash flow position and our ability to meet our working capital requirements.

Our historical results may not be indicative of our future prospects and results of operations.

Although we experienced fast revenue and profit growth during the Track Record Period, we cannot assure you that we can sustain such growth in the future. Our profitability depends partially on our ability to control costs and operating expenses, which may increase as our business expands. There is no guarantee that we will continue to be able to increase the number of our property management service contracts or total GFA under management, nor that we will be able to succeed in our business development efforts going forward. Moreover, we will continue to face challenges related to rising labor and sub-contracting costs and intensive competition for employees and business opportunities. The effects of changing regulatory, economic or other factors beyond our control may also have material adverse effects on our business. Thus, investors should not rely on our historical results of operations to predict our future financial performance.

We rely on third-party sub-contractors to perform certain property management services.

During the Track Record Period, we delegated certain property management services, primarily including cleaning, gardening, fire extinguishing system maintenance services and pre-delivery cleaning services, to third-party sub-contractors. In 2016, 2017, 2018 and the six months ended June 30, 2019, sub-contracting costs amounted to approximately RMB64.3 million, RMB87.9 million, RMB123.1 million and RMB55.8 million, respectively, accounting for approximately 22.4%, 22.6%, 24.4% and 16.8% of our total cost of sales, respectively. We may not be able to monitor their services as directly and efficiently as with our own services. They may take actions contrary to our or our customers' instructions or requests, or be unable or unwilling to fulfill their obligations. As a result, we may have disputes with our sub-contractors, or may be held responsible for their actions, either of which could lead to damages to our reputation, additional expenses and business disruptions and potentially expose us to litigation and damage claims.

We cannot assure you that upon the expiration of our agreements with our current third-party sub-contractors we will be able to renew such agreements or find suitable replacements in a timely manner, on terms acceptable to us, or at all.

In addition, if our third-party sub-contractors fail to maintain a stable team of qualified manual labor or do not have easy access to a stable supply of qualified manual labor or fails to perform their obligations properly or in a timely manner, the work process may be interrupted. Any interruption to the third-party sub-contractors' work process may potentially result in a breach of the contract between our customers and us. Any of such events could materially and adversely affect our service quality, our reputation, as well as our business, financial position and results of operations.

Accidents in our business may expose us to liability and reputational risk.

Accidents may occur during the course of our business. We provide repair and maintenance services to property developers and the properties we manage through our own employees and third-party sub-contractors. For instance, we provide elevator services (including sale, installation, repair and maintenance of elevators), through our subsidiary Joan Elevator. We purchase elevators from third-party suppliers. We also, to a lesser extent, outsource some elevator installation services from qualified third-party sub-contractors qualified. For more information, see "Our Business—Other Professional Services—Elevator Services" in this prospectus. Work injuries may occur during the ordinary course of our elevator business. For example, repair and maintenance services performed by our employees may involve the handling of tools and machinery that carry the inherent occupational risk of accidents. Hence, we are exposed to risks in relation to work safety, including but not limited to claims for injuries, fatal or otherwise, sustained by our employees or sub-contractors. Such occurrences may also damage our reputation within the property management industry. We may also experience business disruptions and be required to implement additional safety measures or modify our business model as a result of any governmental or other investigations. To the extent that we incur additional costs, we may suffer material adverse effects to our business, financial position, results of operations and brand value. In addition, we are exposed to claims that may arise due to employees' or third-party sub-contractors' negligence or recklessness when performing repair and maintenance services. We may be held liable for the injuries or deaths of employees, sub-contractors, residents or others. We may also experience interruptions to our business and may be required to change the manner in which we operate as a result of governmental investigations or the implementation of safety measures upon occurrence of accidents. Any of the foregoing could adversely affect our reputation, business, financial position and results of operations.

We are in a highly competitive business and we may not compete successfully against existing and new competitors.

The PRC property management industry is highly competitive and fragmented. See "Industry Overview—The PRC Property Management Industry—Competition Landscape" in this prospectus. Our major competitors include large national, regional and local property management companies. Competition may intensify as our competitors expand their product or service offerings or as new competitors enter our existing or new markets. We believe that we compete with our competitors on a number of factors, primarily including business scale, brand recognition, financial resources, price and service quality. Our competitors may have better track records, longer operating histories, greater financial, technical, sales, marketing, distribution and other resources, greater brand recognition and larger customer bases. As a result, these competitors may be able to devote more resources to the development, promotion, sale, and support of their services. In addition to competition from established companies, emerging companies may enter our existing or new markets. The emerging companies may have stronger capital resources, greater expertise in management and human resources and greater financial, technical, and public relations resources than we do.

We believe our current success can be partially attributed to our standardization of operations in providing our property management services. We plan to optimize our service standardization practice to enhance the quality and consistency of our services, improve our on-site service teams' efficiency and reduce our costs. Our competitors may emulate our business model, and we may lose a competitive advantage that has distinguished ourselves from our competitors. If we do not compete successfully against existing and new competitors, our business, financial position, results of operations and prospects may be materially and adversely affected.

Furthermore, we may lose property developer clients who decide to enter into the property management business themselves, which will also intensify competition in the market. We seek to have large and reputable property developers as our clients, and such clients may develop their own property management businesses and provide property management services in-house. In such event, we may lose future business from such property developers, and our business, results of operations and financial position could be materially and adversely affected.

The collection of our trade receivables is subject to seasonal fluctuations.

We experienced seasonal fluctuations in the collection of our trade receivables during the Track Record Period and expect to continue experiencing such seasonal fluctuations going forward. Property owners and residents tend to settle outstanding property management fee balances toward the second half of the year, especially near the end of the year. As a result, our collection rate with respect to property management fees was 82.9% for the six months ended June 30, 2018, which was lower in comparison to our collection rate of 89.0% in 2018. In general, our trade receivable amounts increase throughout the year and decrease toward the end of the year when property owners and residents clear their outstanding property management fee balances. As of June 30, 2019, we had trade receivables of RMB234.1 million as compared to RMB212.1 million as of December 31, 2018. Consequently, a comparison of our outstanding trade receivables and collection rates between different points in time within a single financial year and any comparison of trade receivables turnover days for an interim period with that of a full financial year may not be necessarily meaningful and should not be relied upon as indicators of our financial performance. Seasonal fluctuations in our collection rates and trade receivables require that we manage our liquidity carefully so as to provide our business with adequate cash for operations. Any inability to ensure adequate liquidity may hamper our ability to expand and grow our operations, which could in turn adversely affect our business, financial position and results of operations.

There are uncertainties about the recoverability of our deferred tax assets, which could adversely affect our results of operations.

We recorded deferred tax assets of RMB8.4 million, RMB10.5 million, RMB12.7 million and RMB18.9 million, respectively, as of December 31, 2016, 2017 and 2018 and June 30, 2019. We periodically assess the probability of the realization of deferred tax assets, using significant judgments and estimates with respect to, among other things, historical operating results, expectations of future earnings and tax planning strategies. In particular, deferred tax assets can only be recognized to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilized. However, there is no assurance that our expectation of future earnings could be accurate due to factors beyond our control, such as general economic conditions and negative development of the regulatory environment, in which case, we may not be able to recover our deferred tax assets which thereby could have an adverse effect on our results of operations.

Our financial assets are subject to credit counterparty and concentration risks and we may incur loss if the fair value of our wealth management products drops.

During the Track Record Period, we purchased wealth management products, which were primarily principal protected Renminbi-denominated products that we purchased from licensed commercial banks and typically redeemable upon demand. In 2016, 2017, 2018 and the six months ended June 30, 2019, we purchased wealth management products in an aggregate amount of nil, RMB56.3 million, RMB292.2 million and RMB287.8 million (including RMB12.0 million arising from acquisition of Guangzhou Dongkang), respectively. As of December 31, 2016, 2017 and 2018 and June 30, 2019, there was no outstanding balance of such wealth management products.

The profitability of the wealth management products we invested in are linked to the performance of the underlying investment portfolio of wealth management products. Change in fair value of financial assets will be recorded in our combined income statements as fair value through profit or loss, and therefore directly affect our results of operations. Since as of December 31, 2016, 2017 and 2018 and June 30, 2019, there was no outstanding balance of such wealth management products, we did not recognize any change in fair value of financial assets at fair value through profit or loss in our combined income statements during the Track Record Period. In 2016, 2017, 2018 and the six months ended June 30, 2019, the gain on disposal of financial assets at fair value through profit or loss amounted to nil, RMB0.4 million, RMB0.5 million and RMB1.3 million, respectively. We did not incur any loss on disposal of financial assets at fair value through profit or loss during the Track Record Period. In the event that the fair value of our wealth management products drops below our investment costs in the future, we will incur losses and our results of operations, financial condition and prospects may be adversely affected.

We are subject to credit risks that any of our counterparties (e.g. the banks that issued the wealth management products) may not perform their contractual obligations, such as in the event that any such counterparty declares bankruptcy or becomes insolvent. Any material non-performance of our counterparties with respect to the wealth management products we invested in could materially and adversely affect our financial position and cash flow. In addition, during the Track Record Period, our financial assets at fair value through profit or loss are concentrated on a few PRC banks. As such, our exposure to counterparty risks is relatively concentrated and if there is any material adverse change in the financial conditions of any of the banks, our financial conditions may be adversely affected.

We are exposed to risks associated with the use of third-party online payment platforms.

We accept payments via various methods, including but not limited to online payments through third-party platforms such as WeChat Pay and Alipay. Transactions conducted through WeChat Pay and Alipay involve the transmission of confidential information such as credit card numbers, personal information and billing addresses over public networks. However, we do not have control over the security measures taken by providers of our third-party platforms. In the event that the security and integrity of these third-party platforms are compromised, we may experience material adverse effects on our ability to process property management fees. We may also be perceived as partially responsible for failures to secure personal information and be subjected to claims alleging possible liability brought by our customers. Such legal proceedings may damage our reputation and harm our brand value. Furthermore, the PRC Government may yet promulgate new laws and policies to regulate the use of third-party online payment platforms; such measures may increase our compliance and operational costs, for example by requiring that we pay higher transaction fees.

Interruptions and security risks to our IT systems and failure to upgrade our management systems may result in disruption of our operations.

We rely on our information technology systems to manage key operational functions such as processing financial data and facilitating communications. Moreover, we have built an integrated command platform (全國集成管控平台) to standardize and intelligentize our operations, flatten our management structure and improve operational efficiency. To facilitate our business development, we need to continuously maintain and upgrade our systems to meet evolving requirements of our operations and customer needs and preferences. However, we may fail to upgrade our information technology systems according to customer needs and market demands. Moreover, we cannot assure you that damages or interruptions caused by power outages, computer viruses, hardware and software failures, telecommunication failures, fires, natural disasters, security breaches and other similar occurrences relating to our information systems will not occur going forward. We may incur significant costs in restoring any damaged information technology systems. Failures in or disruptions to our information technology systems and loss or leakage of confidential information could cause transaction errors, processing inefficiencies and the loss of customers and sales. We may thus experience adverse effects on our business and results of operations.

Failure to protect confidential information of our customers and our network against security breaches, any actual or perceived failure by us or third parties to comply with applicable data protection laws and regulations or privacy policies could harm our business, financial condition and results of operations.

We collect, store and process personal and other sensitive data from our customers, such as addresses and phone numbers. Our security measures may be breached due to employee error, malfeasance, system errors or vulnerabilities, or otherwise. Outside parties may also attempt to fraudulently induce employees to disclose sensitive information in order to gain access to our data or our customers' data. While we have taken steps to protect the confidential information that we have access to, our security measures could be breached. Because techniques used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognized until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Any accidental or willful security breaches or other unauthorized access to our platforms could cause confidential customer information to be stolen and used for unlawful purposes. Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity.

Under the Cyber Security Law of the People's Republic of China (《中華人民共和國網絡安全法》) (the "**Cyber Security Law**"), network operators are generally obligated to protect their networks against disruption, damage or unauthorized access, and to prevent data leakage, theft or tampering. In addition, they will also be subject to specific rules depending on their classification under the multi-level network security protection scheme. With respect to personal information protection, the Cyber Security Law requires network operators not to disclose, tamper with or damage personal information collected or generated in the business operation, and they are obligated to delete unlawfully collected information and to amend incorrect information. In addition, network operators may not collect, use or provide personal information to others without consent. Moreover, the Provisions on Protection of Personal Information of Telecommunication and Internet Users (《電信和互聯網用戶個人信息保護規定》) is the specialized regulation governing the collection and use of personal information of users in the provision of telecommunication service and Internet information services. These laws and regulations are relatively new and evolving, and their interpretation and enforcement involve significant uncertainties. The evolving PRC regulations regarding (i) data collection, usage and transfer; and (ii) cyber security may lead to future restrictions and the establishment of new regulatory agencies, and we may bear more legal responsibilities and compliance costs, which may have an adverse effect on our prospects. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in our technology infrastructure are exposed and exploited, our reputation and brands could be severely damaged and we could incur significant liability, and our business, financial condition and results of operations could be adversely affected.

We recorded net current liabilities as of December 31, 2016 and 2017 and as of October 31, 2019 and had negative net operating cash flows for the year ended December 31, 2016 and the six months ended June 30, 2019, which could expose us to liquidity risks.

As of December 31, 2016 and 2017, we recorded net current liabilities of RMB137.9 million and RMB128.7 million, respectively, primarily due to other payables and accruals, of which amounts due to related parties took up a substantial portion. See "Financial Information—Description of Certain Combined Balance Sheet Items" in this prospectus. We cannot assure you that we will not experience net current liabilities in the future. Furthermore, we recorded a net current liability position as of October 31, 2019 as a result of repayment of the ABS. As a result of receipt of full repayment of such loan from related party and the full repayment of the ABS, our current assets was reduced by RMB1,526.0 million, and our current liabilities and non-current liabilities was reduced by RMB157.0 million and RMB1,369.0

million, respectively. As such, we recorded a net current liability position after the ABS were fully repaid. See "Financial Information—Net Current Assets and Net Current Liabilities" in this prospectus. A net current liabilities position exposes us to liquidity risks. Our future liquidity, the payment of trade and other payables and repayment of debt financing will primarily depend on our ability to generate adequate cash inflows from our operating activities. If we are unable to maintain sufficient working capital, our business, financial position, results of operation and prospects would be materially and adversely affected.

For the year ended December 31, 2016 and the six months ended June 30, 2019, we recorded negative net cash flows from operating activities of approximately RMB4.4 million and RMB847.4 million, respectively, primarily due to changes in amounts due to/from related parties. See "Financial Information—Liquidity and Capital Resources—Cash Flow—Net Cash Flows (Used in)/from Operating Activities" in this prospectus. We cannot assure you that we will not experience negative net cash flows in the future. Negative net operating cash flows may require us to obtain sufficient external financing to meet our financial needs and obligations. If we are unable to do so, we may be in default of our payment obligations and may not be able to develop our business as planned or meet our capital expenditure requirements. As a result, our business, financial position and results of operations may be materially and adversely affected.

Damage to the communal areas of our managed properties may adversely affect our business, financial position and results of operations.

The communal areas of the properties we manage may suffer damage due to causes beyond our control, including but not limited to natural disasters, accidents or intentional damage. Although PRC law mandates that each residential community establish a special fund to pay the repair and maintenance costs of communal areas, there is no guarantee that there will be sufficient sums in those special funds. Where the damage is caused by natural disasters such as earthquakes, floods or typhoons, or accidents or intentional harm such as fires, the damage caused may be extensive. At times additional resources may have to be allocated to assist police and other governmental authorities in investigating criminal actions that may have been involved.

As the property management service provider, we may be viewed as responsible for restoring the communal areas and assisting any investigative efforts. In the event that there is any shortfall in the special funds necessary to cover all the costs involved, we may have to compensate for the difference with our own resources first. We would need to collect the amount of the shortfall from the property owners later. To the extent that our attempts are unsuccessful, we may experience material adverse effects on our business, financial position and results of operations. As we intend to continue growing our business, the likelihood of such occurrences may rise in proportion to any increases in the number of our managed properties.

The communal areas of the communities we manage, such as the lobby, hallway, outdoor open space, stairway, car park, elevator shaft and equipment room, may be damaged or impacted in a variety of ways that are out of our control, including but not limited to natural disasters, residents' intended or unintended actions, and epidemics, such as severe acute respiratory syndrome.

The additional costs we incur due to damage to the communal areas of our properties may increase along with our business growth and geographic expansion. For example, certain areas where we operate may be located on earthquake belt or may be subject to typhoons. Although none of our assets, business, results of operations and financial positions were materiality affected during the Track Record Period, we continue to be exposed to such risks that a material number of the properties may suffer damage due to reasons such as natural disasters, epidemics and residents' intended or unintended actions.

Our value-added services through Neighborhood Services mobile app may fail to provide satisfactory products and services, which may not be able to attract and retain sufficient interest from property owners and residents.

We aim to expand the functionality of our one-stop service platform, the Neighborhood Services mobile app, to increase accessibility and improve user experience and plan to attract further use by residents of the properties we manage as well as third-party vendors. We regularly seek to introduce different products and services from third-party vendors on Neighborhood Services mobile app. However, our Neighborhood Services mobile app is relatively new and still evolving and we cannot assure you that we will be able to grow our one-stop shop service business as planned. There can be no assurance that property owners and residents will respond favorably to them. If our Neighborhood Services mobile app fails to provide satisfied products and service in order to attract or retain sufficient interests from property owners and residents as planned, property owners and residents may cease using Neighborhood Services mobile app or turn to competing service platforms. In such event, we will not be able to successfully develop our community value-added services or introduce more revenue-generating value-added and other services through Neighborhood Services mobile app. Moreover, we may also encounter technical problems, security issues and logistical issues that may prevent our platform from functioning properly and our users from receiving desired products and services, and our business, financial condition and results of operations could be adversely affected.

Negative publicity, including adverse information on the internet, about us, our Shareholders and affiliates, our brand and management may have a material adverse effect on our business, reputation and the trading price of our Shares.

Negative publicity about us, our Shareholders and affiliates, the properties we manage, our brand, management and other aspects of our business operations may arise from time to time. They may appear in the form of comments on internet postings and other media sources, and we cannot assure you that other types of negative publicity will not arise in the future. For example, in the event that we fail to meet our customers' expectations as to the quality of our services, our customers may disseminate negative comments on social media platforms such as WeChat and Weibo. Our sub-contractors may also become the subject of negative publicity for various reasons, such as customer complaints about the quality of their services. In the long term, if such negative publicity about us, our Shareholders and affiliates, our brand, management and other aspects of our business operations damage our reputation and result in a loss of customer confidence, it would affect our future ability to attract and retain new customers and employees, and our business, financial position, results of operation and prospects would be materially and adversely affected.

We are exposed to risks associated with failing to detect and prevent fraud, negligence or other misconduct (accidental or otherwise) committed by our employees, sub-contractors or third parties.

We are exposed to fraud or other misconduct committed by our employees, sub-contractors, agents, customers or other third parties that could subject us to financial losses and sanctions imposed by governmental authorities as well as seriously harm our reputation. For example, theft conducted by third parties may cause us to make compensation if we were held to be negligent or reckless and will also cause us to suffer damage to our reputation in the market.

Our management information system and internal control procedures are designed to monitor our operations and overall compliance. However, they may be unable to identify non-compliance and/or suspicious transactions in a timely manner, or at all. Further, it is not always possible to detect and prevent fraud and other misconduct, and the precautions we take to prevent and detect such activities may not be effective. There will therefore continue to be the risk that fraud and other misconduct may occur, including negative publicity as a result, which may have an adverse effect on our business, reputation, financial position and results of operations.

Our success largely depends on the retention of our senior management team and our ability to attract and retain qualified and experienced employees.

Our continued success depends on the efforts of our senior management team and other key employees. As they possess key connections and industry expertise, losing their services may have a material adverse effect on our business. Should any or all members of our senior management team join or form a competing business with their expertise, connections and full knowledge of our business operations, we may not be able to estimate the extent of and compensate for such damage. If any of our key employees leaves and we are unable to promptly hire and integrate a qualified replacement, our business, financial position and results of operations may be materially and adversely affected. In addition, the future growth of our business will depend, in part, on our ability to attract and retain qualified personnel in all aspects of our business, including corporate management and property management personnel. If we are unable to attract and retain these qualified personnel, our growth may be limited and our business, financial position and operating results could be materially and adversely affected.

We may be involved in intellectual property disputes and claims.

We currently hold a number of trademarks, copyrights and domain names and have filed various applications in China for protection of certain aspects of our intellectual property. We rely on and expect to continue to rely on a combination of confidentiality and license agreements, as well as trademark, copyright and domain name protection laws, to protect our proprietary rights. See "Business—Intellectual Property" in this prospectus. Nevertheless, these measures afford limited protection. Policing unauthorized use of proprietary information can be difficult and expensive. In addition, enforceability, scope and validity of laws governing intellectual property rights in the PRC are uncertain and still evolving, and could involve substantial risks to us. To our knowledge, the relevant authorities in the PRC historically have not protected intellectual property rights to the same extent as most developed countries. If we were unable to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights, it could have a material adverse effect on our business, results of operations and financial position.

Moreover, we may become subject to claims from competitors or third parties alleging intellectual property infringement in our ordinary course of business from time to time. Any claims or legal proceedings brought against us in relation to such issues, with or without merit, could result in substantial costs and divert capital resources and management attention. In the event of an adverse determination, we may be compelled to pay substantial damages or to seek licenses from third parties and pay ongoing royalties on unfavorable terms. Moreover, regardless of whether we prevail, intellectual property disputes may damage our brand value and reputation in the eyes of current and potential customers and within our industry.

We may fail to register for and/or contribute to social insurance and housing provident funds for some of our employees.

In accordance with applicable PRC laws and regulations, we are obliged to contribute to social insurance and housing provident funds for our employees. During the Track Record Period, we did not fully contribute to certain social insurance and housing provident funds for some of our employees. We have made provisions in the amounts of RMB2.5 million, RMB4.7 million, RMB5.4 million and RMB5.6 million to our combined statements of profit or loss and other comprehensive income in respect of such potential liabilities in 2016, 2017, 2018 and the six months ended June 30, 2019, respectively, for certain of our PRC subsidiaries. As advised by our PRC Legal Advisors, under the Regulations on Administration of Housing Provident Fund (住房公積金管理條例), (i) if we fail to complete housing provident fund registration before the prescribed deadlines, we may be subject to a fine ranging from RMB10,000 to RMB50,000 for each non-compliant subsidiary or branch and (ii) if we fail to pay housing provident fund contributions within the prescribed deadlines, we may be subject to an order by the relevant people's court to make such payments. According to the Social Insurance Law of the PRC (中華人民共和國社會保險法), for outstanding social insurance fund contributions that we did not fully pay within the prescribed deadlines, the relevant PRC authorities may demand that we pay the outstanding social insurance contributions within a stipulated deadline and we may be liable for a late payment fee equal to 0.05% of the outstanding contribution amount for each day of delay; if we fail to make such payments, we may be liable to a fine of one to three times the outstanding contribution amount. See "Business—Legal Proceedings and Non-compliance—Historical Non-compliance Incidents Regarding Social Insurance and Housing Provident Funds" in this prospectus.

Fluctuations in amounts of tax benefits or government grants may lead to volatility in our profit.

We enjoy favorable treatment from government authorities in respect of, among other things, tax benefits and government grants on entrepreneurship and achievements in research and development.

Our government grants amounted to nil, RMB1.2 million, RMB0.4 million and RMB0.1 million, or nil, 3.4%, 0.6% and 0.2% of our net profit, for 2016, 2017 and 2018 and the six months ended June 30, 2019, respectively. Tax benefits and government grants fluctuated during the Track Record Period because such benefits and grants were subject to the sole discretion of the relevant government authorities. There can be no assurance that we will continue to receive significant amounts of tax benefits or government grants, or at all. Accordingly, we may experience additional fluctuations in our tax benefits and government grants, which may lead to volatility in our profit.

Our insurance coverage may not sufficiently cover the risks related to our business.

We cannot assure that our insurance coverage will be sufficient or available to cover damage, liabilities or losses we may incur in the course of our business. Moreover, there are certain losses for which insurance is not available in the PRC on commercially practicable terms, such as losses suffered due to business interruptions, earthquakes, typhoons, flooding, war or civil disorder. If we are held responsible for any such damages, liabilities or losses and there is an insufficiency or unavailability of insurance, there could be a material adverse effect on our business, financial position and results of operations. See "Business —Insurance" in this prospectus.

We may be involved in legal and other disputes and claims or subject to administrative actions from time to time arising out of our operations.

We may, from time to time, be involved in disputes with and subject to claims by property developers, property owners and residents as well as local property management companies, to whom we provide property management services. Disputes may also arise if they are dissatisfied with our services. In addition, property owners may take legal action against us if they perceive that our services are inconsistent with our service standards we agreed to. Furthermore, we may from time to time be involved in disputes with and subject to claims by other parties involved in our business, including our third-party sub-contractors, suppliers and employees, or other third parties who sustain injuries or damages while visiting properties under our management. All of these disputes and claims may lead to legal or other proceedings or cause negative publicity against us, thereby resulting in damage to our reputation, substantial costs and diversion of resources and management's attention from our business activities. Any such dispute, claim or proceeding may have a material adverse effect on our business, financial position and results of operations.

We may be subject to administrative penalties if we fail to comply with applicable regulations and requirements. For instance, under relevant PRC laws and regulations, property management service providers are obligated to file for the inspection of elevators with relevant government authorities timely. During the Track Record Period, two branch companies of our PRC subsidiaries failed to timely file for inspection of elevators with relevant government authorities. Since we implemented remedial actions as required by the relevant regulatory authorities soon after these incidences were identified, no administrative fines were imposed on these two subsidiaries. See "Business—Quality Control—Equipment Management" in this prospectus. However, if similar incidents occur or we fail to comply with applicable regulations in the future, we may be subject to administrative fines or other penalties, and our business and results of operations may be adversely affected.

Some of our lease agreements have not been filed with the relevant PRC authorities and, as a result, we might be subject to administrative fines.

During the Track Record Period, we had not completed the administrative filings of relating to 242 lease agreements we leased. According to applicable PRC administrative regulations, the lessor and the lessee of a lease agreement are required to file the lease agreement with relevant governmental authorities within 30 days after the execution of the lease agreement. If the filing is not made, the governmental authorities may require that the filing be made within a stated period of time, failing which, they may impose a fine ranging from RMB1,000 to RMB10,000 for each agreement that has not been properly filed. According to applicable PRC administrative regulations, lessors of the related leases need to provide us with certain documents (such as their business licenses or identification information) in order to complete the administrative filing. There can be no assurance that the lessors of our leased properties will be cooperative in the process of completing the filings. If we fail to complete the administrative filings within a period required by the relevant governmental authorities and relevant authorities determine that we shall be liable for failing to complete the administrative filings of all the relevant lease agreements, we might be subject to fines. See "Business—Properties" in this prospectus.

We are subject to the regulatory environment and various factors affecting our industry and general economic conditions.

Our operations are affected by the regulatory environment and measures affecting the PRC property management industry. In particular, the fees that property management companies may charge in connection with property management services are strictly regulated and supervised by relevant PRC authorities. See "Regulatory Overview—Legal Supervision over Property Management Services—Fees Charged of Property Management Enterprises" in this prospectus. In December 2014, the National Development and Reform Commission of the PRC issued the Circular of NDRC on the Opinions on Relaxing Price Controls in Certain

Services (《國家發展改革委關於放開部分服務價格意見的通知》) (發改價格[2014]2755號), which requires property management fees for affordable housing, housing-reform properties and properties in old residential areas and property management fees under preliminary property management service contracts remain subject to price guidance imposed by provincial level price administration departments and the administrative departments of housing and urban-rural development. The Notice on Further Standardization of Property Service Charges (《關於進一步規範物業服務收費的通知》) (粵發改價格函[2019]2897號) issued by the Guangdong Provincial Development and Reform Commission and the Guangdong Provincial Bureau of Housing and Urban-rural Development has taken effect on August 1, 2019. The property management charging standards for which government guidance prices are carried out will be determined by the property management companies and the property owners through negotiation, and will no longer be required to report to the local development and reform commission for filing.

We expect the price controls on residential properties to be relaxed over time pursuant to the Circular. However, for our operations in provinces other than Guangdong province, our property management fees will continue to be subject to price controls until local regulations implementing the Circular are passed. However, we cannot guarantee that the PRC Government may not reverse its policy and re-impose limits on property management fees. Generally, pricing control policies may negatively impact our profitability as they restrict the amount of property management fees we may charge. We may experience diminished profit margins should our labor, sub-contracting and other costs increase but we are unable to raise property management fees accordingly. There can also be no assurance that we would be able to implement cost-saving measures timely and effectively.

Given the stringent governmental regulations on property management fees, together with the difficulties we may face in obtaining the requisite votes at property owners' meetings, it may be impracticable to collect additional property management fees. We may therefore be forced to reduce costs, so as to strike a balance between collected property management fees and expenditures in relation to service provisions, or write off the uncollected payments on behalf of the residents.

Our business, financial position and results of operations are and will continue to be dependent on various factors affecting the property management industries and general economic conditions, most of which are beyond our control. For example, limited flexibility in charging property management fees can adversely affect profit margins in the event of rising labor cost. Furthermore, any economic slowdown, recession or other developments in the PRC social, political, economic or legal environment could result in fewer new property development projects, or a decline in the purchasing power of residents living in the communities we manage or provide consultancy services to, resulting in a lower demand for our services and lower revenue and income contribution for us. As such, our business, financial position and results of operations would be materially and adversely affected.

We are affected by the PRC government regulations on the PRC real estate industry.

We generated most of our revenue from our property management services during the Track Record Period. The performance of our property management services business is primarily dependent on the total GFA and number of residential communities we manage. As such, our growth in the property management services business is, and will likely continue to be, affected by the PRC government regulations of the real estate industry. For further information on laws and regulations that are applicable to our business, please see the section entitled "Regulatory Overview" in this prospectus.

The PRC Government has implemented a series of measures with a view to controlling the growth of the economy in recent years. In particular, the PRC Government has continued to introduce various restrictive measures to discourage speculation in the real estate market. The government exerts considerable direct and indirect influence on the development of the PRC real estate industry by imposing industry policies and other economic measures, such as control over the supply of land for property development, control of foreign exchange, property financing, taxation and foreign investment. Through these policies and measures, the PRC Government may restrict or reduce property development activities, place limitations on the ability of commercial banks to make loans to property purchasers, impose additional taxes and levies on property sales and affect the delivery schedule and occupancy rates of the properties we service. Any such governmental regulations and measures may affect the PRC real estate industry, thus limiting our business growth and resulting in a material adverse effect on our business, financial position and results of operations.

We may fail to obtain or renew required permits, licenses, certificates or other relevant PRC governmental approvals necessary for our business operations.

We are required to obtain and maintain certain licenses, permits, certificates and approvals in order to provide property management and certain other services that we currently offer. We must meet various specific conditions in order for the government authorities to issue or renew any certificate or permit. We cannot guarantee that we will be able to adapt to new rules and regulations that may come into effect from time to time with respect to our services or that we will not encounter material delays or difficulties in fulfilling the necessary conditions to obtain or renew all necessary certificates or permits for our operations in a timely manner, or at all, in the future. Therefore, in the event that we fail to obtain or renew, or encounter significant delays in obtaining or renewing, the necessary government approvals for any of our operations, we will not be able to continue with our development plans, and our business, financial condition and results of operations may be adversely affected.

RISKS RELATING TO DOING BUSINESS IN CHINA

We are vulnerable to adverse changes in economic, political and social conditions and government policies in China.

We manage all of our business operations from our headquarters in Guangzhou. Accordingly, our financial position, results of operations and prospects are, to a significant degree, subject to the economic, political, social and legal conditions in China. The PRC economy differs from that of most developed countries in many respects, including the extent of government involvement, level of economic development, investment control, resource allocation, growth rate and control over foreign exchange. Before its adoption of reform and open-door policies beginning in 1978, China was primarily a planned economy. Since then, the PRC economy has been transitioning to become a market economy with socialist characteristics.

For approximately four decades, the PRC Government has implemented economic reform measures to utilize market forces in the PRC economy. Many of the reform measures are unprecedented or experimental and are expected to be modified from time to time. Other political, economic and social factors may lead to further readjustment or introduction of other reform measures. This reform process and any changes in laws and regulations or the interpretation or implementation thereof in China may have a material impact on our operations or may adversely affect our financial position and results of operations.

While the PRC economy has grown significantly in recent years, this growth has been geographically uneven among various sectors of the economy and during different periods. We cannot assure you that the PRC economy will continue to grow, or that if there is growth, such growth will be steady and uniform. Any economic slowdown may materially and adversely affect our business. In the past, the PRC Government has periodically implemented a number of measures intended to slow down certain segments of the economy which the PRC Government believed was overheating. We cannot assure you that the various macroeconomic measures and monetary policies adopted by the PRC Government to guide economic growth and allocate resources will be effective in improving the growth rate of the PRC economy. In addition, such measures, even if they benefit the overall PRC economy in the long term, may reduce demand for our properties and therefore materially and adversely affect our business, financial position and results of operations.

China's economic growth may also slow down due to weakened exports as well as recent developments surrounding the trade war with the United States. In 2018, the United States government, under the administration of President Donald J. Trump, imposed several rounds of tariffs on various categories of imports from China, and China responded with similarly sized tariffs on U.S. products in retaliation. The trade war escalated in May 2019, when the United States increased tariffs on US$200 billion worth of Chinese products from 10% to 25%, and China increased tariffs on US$60 billion worth of U.S. goods in response. Moreover, since May 2019, the United States has banned six Chinese technology firms from exporting certain sensitive U.S. goods. In August 2019, the U.S. Treasury declared China a currency manipulator. On September 1, 2019, the U.S. implemented further tariffs on more than US$125 billion worth of Chinese goods. On September 2, 2019, China lodged a complaint in the World Trade Organization against the U.S. over the import tariffs. The rhetoric surrounding the trade war has continued to escalate, and trade negotiations between the two governments, even though ongoing, have not yielded breakthroughs. The amicable resolution of the trade war remains elusive, and the lasting impact it may have on China's economy and the industries in which our Company operate remains uncertain.

Fluctuations in exchange rates may have a material adverse impact on your investment.

The exchange rate of the Renminbi fluctuates against the Hong Kong dollar, U.S. dollar and other foreign currencies and is affected by, among other factors, the policies of the PRC Government and changes in international and domestic political and economic conditions. From 1995 to July 20, 2005, the conversion of the Renminbi into foreign currencies was based on fixed rates set by the PBOC. However, effective from July 21, 2005, the PRC Government decided to permit the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On November 30, 2015, the Executive Board of the International Monetary Fund completed a regular five-year review of the basket of currencies that make up the Special Drawing Right and determined that, effective from October 1, 2016, the Renminbi will be included in the Special Drawing Right basket as a fifth currency along with the U.S. dollar, the Euro, the Japanese yen and the British pound. It is difficult to predict how market forces and the PRC Government's policies will continue to impact Renminbi exchange rates going forward. In light of the trend towards Renminbi internationalization, the PRC Government may announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the Hong Kong dollar, U.S. dollar or other foreign currencies.

All of our revenue, liabilities and assets are denominated in Renminbi, while our proceeds from the Global Offering will be denominated in Hong Kong dollars. Material fluctuations in the exchange rate of the Renminbi against the Hong Kong dollar may negatively impact the value and amount of any dividends payable on our Shares. For example, significant appreciation of the Renminbi against the Hong Kong dollar could reduce the amount of Renminbi received from converting Global Offering proceeds or proceeds from future financing efforts to fund our operations. Conversely, significant depreciation of the Renminbi may increase the cost of converting our Renminbi-denominated cash flow into Hong Kong dollars, thereby reducing the amount of cash available for paying dividends on our Shares or carrying out other business operations.

Inflation in China could negatively affect our profitability and growth.

Economic growth in China has, in the past, been accompanied by periods of high inflation. In response, the PRC Government has implemented policies from time to time to control inflation, such as restricting the availability of credit by imposing tighter bank lending policies or higher interest rates. The PRC Government may take similar measures in response to future inflationary pressures. Rampant inflation without the PRC Government's mitigation policies would likely increase our costs, thereby materially reducing our profitability. There is no assurance that we will be able to pass any additional costs to our customers. On the other hand, such control measures may also lead to slower economic activity and we may see reduced demand for our properties.

Uncertainties with respect to the PRC legal system could limit the legal protection available to you.

The legal system in China has inherent uncertainties that could limit the legal protection available to our Shareholders. As we conduct all of our business operations in China, we are principally governed by PRC laws, rules and regulations. The PRC legal system is based on the civil law system. Unlike the common law system, the civil law system is established on the written statutes and their interpretation by the Supreme People's Court (最高人民法院), while prior legal decisions and judgments have limited significance as precedent. The PRC Government has been developing a commercial law system, and has made significant progress in promulgating laws and regulations related to economic affairs and matters, such as corporate organization and governance, foreign investments, commerce, taxation and trade.

However, many of these laws and regulations are relatively new. There may be a limited volume of published decisions regarding their interpretation and implementation, or the relevant local administrative rules and guidance on implementation and interpretation have not been put into place. Thus, there are uncertainties involved in their enactment timetable, which may not be as consistent and predictable as in other jurisdictions. In addition, the PRC legal system is based in part on government policies and administrative rules that may have retroactive effect. Consequently, we may not be aware of any violation of these policies and rules until sometime after such violation has occurred. Furthermore, the legal protection available to you under these laws, rules and regulations may be limited. Any litigation or regulatory enforcement action in China may be protracted and result in substantial costs and diversion of resources and management attention.

You may experience difficulties in effecting service of process or enforcing foreign judgments against us, our Directors or senior management residing in China.

Our Company is incorporated in the Cayman Islands. All of our assets are located in China and all of our executive and non-executive Directors and senior management ordinarily reside in China. Therefore, it may not be possible to effect service of process within Hong Kong or elsewhere outside of China upon us or our Directors or senior management. Moreover, China has not entered into treaties for the reciprocal recognition and enforcement of court judgments with Japan, the United Kingdom, the United States and many other countries. As a result, recognition and enforcement in China of a court judgment obtained in other jurisdictions may be difficult or impossible.

In addition, on July 14, 2006, China and Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to

Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "**Arrangement**"). Pursuant to the Arrangement, a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China. Similarly, a party with a final judgment rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between the parties after the effective date of the arrangement in which a Hong Kong or PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in China if the parties in dispute do not agree to enter into a choice of court agreement in writing. It may be difficult or impossible for investors to enforce a Hong Kong court judgment against our assets or our Directors or senior management in China.

We may be deemed a "PRC resident enterprise" under the EIT Law and be subject to a tax rate of 25% on our global income, which could result in unfavorable tax consequences to us.

Pursuant to the EIT Law, which came into effect on January 1, 2008 and was amended on February 24, 2017 and December 29, 2018, an enterprise established outside China whose "de facto management body" is located in China is considered a "PRC resident enterprise" and will generally be subject to the uniform enterprise income tax rate, or EIT rate, of 25% on its global income. Under the implementation rules of the EIT Law, "de facto management body" is defined as the organizational body that effectively exercises management and control over such aspects as the business operations, personnel, accounting and properties of the enterprise.

SAT released the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) ("**Circular 82**") on April 22, 2009 (which was amended on December 29, 2017) setting out the standards and procedures for determining whether the "de facto management body" of an enterprise registered outside of China and controlled by PRC enterprises or PRC enterprise groups is located within China. Under Circular 82, a foreign enterprise controlled by a PRC enterprise or a PRC enterprise group is considered a PRC resident enterprise if all of the following apply: (i) the senior management and core management departments in charge of daily business operations are located mainly within China; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in China; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within China; and (iv) at least half of the enterprise's directors with voting rights or senior management reside within China. In addition, Circular 82 also requires that the determination of "de facto management body" shall be based on the principle that substance is more important than form. Further to Circular 82, SAT issued the Chinese-Controlled Offshore Incorporated Resident Enterprises Income Tax

Regulation (Trial Implementation) (境外註冊中資控股居民企業所得稅管理辦法(試行)) (the "**Bulletin 45**"), which took effect on September 1, 2011 and amended on June 1, 2015, June 28, 2016 and June 15, 2018 to provide more guidance on the implementation of Circular 82 and clarify the reporting and filing obligations of such "Chinese-controlled offshore incorporated resident enterprises." Bulletin 45 provides procedures and administrative details for the determination of resident status and administration of post-determination matters. Although Circular 82 and Bulletin 45 explicitly provide that the above standards apply to enterprises which are registered outside of China and controlled by PRC enterprises or PRC enterprise groups, Circular 82 may reflect SAT's criteria for determining the tax residence of foreign enterprises in general. All members of our senior management are currently based in China; if we are deemed a PRC resident enterprise, the EIT rate of 25% on our global taxable income may reduce capital we could otherwise divert to our business operations.

You may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our Shares under PRC law.

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in China, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% PRC income tax rate if such gains are regarded as income from sources within China unless a treaty or similar arrangement provides otherwise. Under the PRC Individual Income Tax Law (中華人民共和國個人所得稅法) and its implementation rules, dividends from sources within China paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws.

Although we conduct all of our business operations in China, it is unclear whether dividends we pay with respect to our Shares, or the gain realized from the transfer of our Shares, would be treated as income from sources within China and as a result be subject to PRC income tax if we are considered a PRC resident enterprise. If PRC income tax is imposed on gains realized from the transfer of our Shares or on dividends paid to our non-PRC resident investors, the value of your investment in our Shares may be materially and adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

PRC laws and regulations establish more complex procedures for some acquisitions of PRC companies by foreign investors, which could make it difficult for us to pursue growth through acquisitions in China.

A number of PRC laws and regulations, including the M&A Rules, the Anti-Monopoly Law (反壟斷法), and the Rules of MOFCOM on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (商務部實施外國投資者併購境內企業安全審查制度的規定) promulgated by MOFCOM on August 25, 2011 and effective from September 1, 2011 (the "**Security Review Rules**"), have established procedures and requirements that are expected to make the review of certain merger and acquisition activities by foreign investors in China more time-consuming and complex. These include requirements in some instances to notify MOFCOM in advance of any transaction in which foreign investors take control of a PRC domestic enterprise, or to obtain approval from MOFCOM before overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control or security review.

The Security Review Rules prohibits foreign investors from bypassing the security review requirement by structuring transactions through proxies, trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions. If we are found to be in violation of the Security Review Rules and other PRC laws and regulations with respect to merger and acquisition activities in China, or fail to obtain any of the required approvals, the relevant regulatory authorities would have broad discretion in dealing with such violations, including levying fines, revoking business and operating licenses, confiscating our income and requiring us to restructure or unwind our restructuring activities. Any of these actions could cause significant disruption to our business operations and may materially and adversely affect our business, financial position and results of operations. Furthermore, if the business of any target company we plan to acquire falls into the ambit of security review, we may not be able to successfully acquire such company either by equity or asset acquisition, capital contribution or any contractual arrangement. We may grow our business in part by acquiring other companies operating in our industry. Complying with the requirements of the relevant regulations to complete such transactions could be time-consuming, and any required approval processes, including approval from MOFCOM, may delay or inhibit our ability to complete such transactions, thus affecting our ability to expand our business or maintain our market share.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior market for our Shares, and their liquidity and market price following the Global Offering may be volatile.

Prior to the Global Offering, there was no public market for our Shares. The indicative offer price range and the Offer Price will be determined by negotiations between us and the Sole Global Coordinator (on behalf of the Underwriters), and they may differ significantly from the market price of our Shares following the Global Offering.

We have applied to list and deal in our Shares on the Stock Exchange. However, even if approved, there can be no guarantee that: (i) an active or liquid trading market for our Shares will develop; or (ii) if such a trading market does develop, it will be sustained following completion of the Global Offering; or (iii) the market price of our Shares will not decline below the Offer Price. The trading volume and price of our Shares may be subject to significant volatility in response to, among others, the following factors:

- variations in our financial position and/or results of operations;
- changes in securities analysts' estimates of our financial position and/or results of operations, regardless of the accuracy of information on which their estimates are based;
- changes in investors' perception of us and the investment environment generally;
- loss of visibility in the markets due to lack of regular coverage of our business;
- strategic alliances or acquisitions;
- industrial or environmental accidents, litigation or loss of key personnel;
- changes in laws and regulations that impose limitations on our industry;
- fluctuations in the market prices of our properties;
- announcements made by us or our competitors;
- changes in pricing adopted by us or our competitors;
- release or expiry of lock-up or other transfer restrictions on our Shares;
- the liquidity of the market for our Shares; and
- general economic and other factors.

Potential investors will experience immediate and substantial dilution as a result of the Global Offering and could face dilution as a result of future equity financings.

The Offer Price substantially exceeds the per Share value of our net tangible assets after subtracting our total liabilities, and therefore potential investors will experience immediate dilution when they purchase our Shares in the Global Offering. If we were to distribute our net tangible assets to our Shareholders immediately following the Global Offering, potential investors would receive less than the amount they paid for their Shares.

We will comply with Rule 10.08 of the Listing Rules, which specifies that no further Shares or other securities of our Company (subject to certain exceptions) may be issued or form the subject of any agreement to such an issue within six months from the Listing Date. However, after six months from the Listing Date we may raise additional funds to finance future acquisitions or expansions of our business operations by issuing new Shares or other securities of our Company. As a result, the percentage shareholding of the then Shareholders may be diluted and such newly issued Shares or other securities may confer rights and privileges that have priority over those of the then Shareholders.

Future or perceived sales of substantial amounts of our Shares could affect their market price.

The market price of our Shares could decline as a result of future sales of substantial amounts of our Shares or other related securities, or the perception that such sales may occur. Our ability to raise future capital at favorable times and prices may also be materially and adversely affected. Our Shares held by the Controlling Shareholders are currently subject to certain lock-up undertakings, the details of which are set out in "Underwriting—Underwriting Arrangements and Expenses" in this prospectus. However, there is no assurance that following the expiration of the lock-up periods, these Shareholders will not dispose of any Shares. We cannot predict the effect of any future sales of the Shares by any of our Shareholders on the market price of our Shares.

We may not declare dividends on our Shares in the future.

Any declaration of dividends will be proposed by our Board of Directors, and the amount of any dividends will depend on various factors, including, without limitation, our results of operations, financial position, capital requirements and surplus, contractual restrictions, future prospects and other factors which our Board of Directors may determine are important. See "Financial Information—Dividend Policy and Distributable Reserves" in this Prospectus. We cannot guarantee when, if and in what form dividends will be paid. Our historical dividend policy should not be taken as indicative of our dividend policy in the future.

Our management has significant discretion as to how to use the net proceeds of the Global Offering, and you may not necessarily agree on how we use them.

Our management may use the net proceeds from the Global Offering in ways that you may not agree with or that do not yield a favorable return to our Shareholders. By investing in our Shares, you are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses we will make of the net proceeds from this Global Offering. For more information, see "Future Plans and Use of Proceeds" in this prospectus.

Investors may experience difficulties in enforcing their Shareholder rights because we are incorporated in the Cayman Islands, and the protection afforded to minority Shareholders under Cayman Islands law may be different from that under the laws of Hong Kong or other jurisdictions.

Our Company is incorporated in the Cayman Islands and its affairs are governed by our Memorandum, Articles of Association, the Cayman Islands company law and the common law of the Cayman Islands. The laws of the Cayman Islands may differ from those of Hong Kong or those of other jurisdictions where investors may be located. As a result, minority Shareholders may not enjoy the same rights as those afforded under the laws of Hong Kong or in other jurisdictions. A summary of the Cayman Islands Company Law on protection of minority shareholders is set out in "Appendix III—Summary of the Constitution of the Company and Cayman Islands Company Law—3. Cayman Islands Company Law—(f) Protection of Minorities and Shareholders' Suits" to this prospectus.

Our Controlling Shareholders have substantial influence over our Company and their interests may not be aligned with the interests of Shareholders who subscribe for Shares in the Global Offering.

Immediately upon completion of the Spin-off, our Controlling Shareholders will directly or indirectly control the exercise of 56.06% of voting rights in the general meeting of our Company. For more information, see "Relationship with Controlling Shareholders" in this Prospectus. The interests of our Controlling Shareholders may differ from the interests of our other Shareholders. Our Controlling Shareholders will have significant influence on the outcome of any corporate transaction or other matters submitted to our Shareholders for approval, including mergers, consolidations, sales of all or substantially all of our assets, election of Directors and other significant corporate actions. This concentration of ownership may discourage, delay or prevent changes in control of our Company that would otherwise benefit our other Shareholders. To the extent that the interests of our Controlling Shareholders conflict with those of our other Shareholders, our other Shareholders may be deprived of opportunities to advance or protect their interests.

Since there will be a gap of several days between the pricing and trading of our Offer Shares, the price of our Offer Shares could fall below the Offer Price when trading commences.

The Offer Price of our Shares will be determined on the Price Determination Date, which is expected to be an or around December 12, 2019, but in any event not later than December 16, 2019. However, our Shares will not commence trading on the Stock Exchange until the Listing Date, which is expected to be December 19, 2019. Accordingly, investors may not be able to sell or deal in our Shares during the period between the Price Determination Date and the Listing Date. Our Shareholders are subject to the risk that the price of our Shares could fall before trading begins, as a result of adverse market conditions or other adverse developments that could occur between the Price Determination Date and the Listing Date.

We cannot guarantee the accuracy of facts, forecasts and statistics with respect to China, the PRC economy and our relevant industries contained in this prospectus.

Certain facts, forecasts and statistics in this prospectus relating to China, the PRC economy and industries relevant to us were obtained from information provided or published by PRC Government agencies, CIA, independent research institutions or other third-party sources, and we can guarantee neither the quality nor reliability of such source materials. They have not been prepared or independently verified by us, the Sole Sponsor, the Sole Global Coordinator, the Sole Bookrunner, the Joint Lead Managers and the Underwriters or any of its or their respective affiliates or advisors. Therefore, we make no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside of China. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the statistics herein may be inaccurate or incomparable to statistics produced for other economies and should not be relied upon. Furthermore, there can be no assurance that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, investors should consider how much weight or importance they should attach to or place on such facts, forecasts or statistics.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties.

This Prospectus contains certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words "aim," "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "going forward," "intend," "ought to," "may," "might," "plan," "potential," "predict," "project," "seek," "should," "will," "would" and similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, business operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. Subject to the ongoing disclosure obligations of the Listing Rules or other requirements of the Stock Exchange, we do not intend publicly to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on such forward-looking statements and information.

You should read this entire prospectus carefully and not consider or rely on any particular statements in this Prospectus or in published media reports without carefully considering the risks and other information in this prospectus.

Prior or subsequent to the publication of this Prospectus, there has been or may be press and media coverage regarding us and the Global Offering, in addition to marketing materials we published in compliance with the Listing Rules. Such press and media coverage may include references to information that do not appear in this prospectus or is inaccurate. We have not authorized the publication of any such information contained in unauthorized press and media coverage. Therefore, we make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media and do not accept any responsibility for the accuracy or completeness of any financial information or forward-looking statements contained therein. To the extent that any of the information in the media is inconsistent or conflicts with the contents of this Prospectus, we expressly disclaim it. Accordingly, prospective investors should only rely on information included in this prospectus and not on any of the information in press articles or other media coverage in deciding whether or not to purchase the Offer Shares.

In preparation for the Listing, our Group has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not have a sufficient management presence in Hong Kong for the purposes of satisfying the requirements under Rule 8.12 of the Listing Rules. We have applied for a waiver from strict compliance with Rule 8.12 of the Listing Rules primarily on the basis that, as our headquarters and principal business operations are located in the PRC, our management is best able to attend to its functions by being based in the PRC. We have submitted an application to and have received from the Stock Exchange a waiver from strict compliance with Rule 8.12 of the Listing Rules subject to, amongst others, the following conditions:

(a) we have appointed two authorized representatives, Ms. Zhou Rui the executive Director of our Company and Ms. Leung Suet Wing the Company secretary of our Company, pursuant to Rule 3.05 of the Listing Rules who will act as our Company's principal channel of communication with the Stock Exchange and ensure that they comply with the Listing Rules at all times. Ms. Leung Suet Wing is ordinarily resident in Hong Kong. Each of our authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email. Each of the two authorized representatives will be authorized to communicate on our behalf with the Stock Exchange;

(b) both our authorized representatives have means to contact all members of our Board (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of our Board for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. All Directors have provided his/her mobile phone number, residential phone number, fax number and e-mail address to our authorized representatives, in the event that a Director expects to travel, he/she will endeavor to provide the phone number of the place of his/her accommodation to our authorized representatives or maintain an open line of communication via his/her mobile phone and all Directors and authorized representatives have provided his/her mobile number, office phone number, fax number and email address to the Stock Exchange;

(c) we have appointed Haitong International Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules, which has access at all times to our authorized representatives, Directors, senior management and other officers of our Company, and will act as an additional channel of communication between the Stock Exchange and us; and

(d) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or the compliance advisor, or directly with our Directors within a reasonable time frame. Our Company will promptly inform the Stock Exchange of any changes of our authorized representatives and/or the compliance adviser.

CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions for our Company under the Listing Rules after Listing. We have applied for, and the Stock Exchange has granted us, waivers from strict compliance with the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "Connected Transactions —(B) Continuing Connected Transaction subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements". For details, please refer to "Connected Transactions" in this prospectus.

EQUITY INTERESTS ACQUIRED AFTER THE TRACK RECORD PERIOD

Pursuant to the guidance letter HKEX-GL32-12 issued by the Stock Exchange and Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, a new listing applicant is required to include in its accountants' report in the listing document the results and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited financial statements of the listing applicant have been made up in respect of each of the three financial years immediately preceding the issue of the listing document, or since the incorporation of such subsidiary or the commencement of such business if this occurred less than three years prior to such issue, or such shorter period as may be acceptable to the Stock Exchange.

Since the end of the Track Record Period, for the purpose of expanding its business, our Group has acquired the entire equity interest of Foshan Yixin (the "**Acquisition**"). For details, please refer to "History, Reorganization and Corporate Structure—Acquisition after the Track Record Period" in this prospectus.

We have applied for, and the Stock Exchange has granted to us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in relation to the preparation of financial statements in respect of the Acquisition on the following grounds:

(a) **Ordinary and usual course of business** – the Acquisition is in the ordinary and usual course of business of our Group. Our Directors believe that the terms of the Acquisition is fair and reasonable and in the interests of the Shareholders as a whole.

(b) **Immateriality of target company** – the scale of the business operated by Foshan Yixin as compared to that of our Group is not material. The unaudited revenue and profit of Foshan Yixin for the year ended December 31, 2018 amounted to approximately RMB2.5 million and approximately RMB0.7 million respectively, and the total assets of Foshan Yixin as of December 31, 2018 amounted to approximately RMB1.5 million. Based on the unaudited management accounts of Foshan Yixin available to our Company, all the applicable size test percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Acquisition referenced against the financials of our Company in the most recent financial year of the Track Record Period are less than 5%.

Accordingly, the Directors believe that (i) the Acquisition is immaterial when compared to the scale of our Group's operations as a whole; (ii) the Acquisition has not resulted in any significant change to the financial position of our Group since June 30, 2019; and (iii) all information that is reasonably necessary for potential investors to make an informed assessment of the activities or financial position of our Group has been included in the prospectus. As such, an exemption from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investing public.

(c) **Undue burden and delay to the Listing timetable** – it was understood by our Directors after a discussion with our Reporting Accountants that around three months after the completion of the Acquisition would be required for the preparation of the financial information of Foshan Yixin for disclosure in this prospectus as required under Rules 4.04(2) and 4.04(4)(a). It would have been unduly burdensome and impracticable for our Company to prepare the required information for inclusion in this prospectus within the limited time available between the completion of the Acquisition which took place on September 30, 2019 and the publication of this prospectus. Considerable time and resources of our Company and our Reporting Accountants would have been required for our Company and our Reporting Accountants to fully familiarize themselves with the accounting system and accounting policies of Foshan Yixin to compile the necessary financial information for disclosure. Undue delay to the Listing timetable and the publication of this prospectus would have been caused if our Company had been required to complete the preparation of the required audited financial information.

(d) **Alternative disclosure available** – our Company has provided in this prospectus alternative information regarding the Acquisition which includes:

(i) description of the principal business activities of Foshan Yixin;

(ii) confirmation that the counterparties and the ultimate beneficial owners of the counterparties are independent third parties;

(iii) the date of the Acquisition;

(iv) the consideration of the Acquisition, how the consideration was or would be satisfied and the basis upon which the consideration was determined;

(v) the reasons for the Acquisition and the benefits which are expected to accrue to our Group as a result of the Acquisition; and

(vi) the unaudited revenue, profit and total asset of Foshan Yixin for the most recent financial year.

ALLOCATION OF SHARES TO TIMES CHINA NON-INDEPENDENT PARTICIPANTS (AS DEFINED BELOW) UNDER THE PREFERENTIAL OFFERING

Qualifying Times China Shareholders who are entitled to participate in the Preferential Offering include certain Directors ("**Times China Non-Independent Participants**"), namely Mr. Li Qiang and Mr. Bai Xihong. The Assured Entitlement is required under paragraph 3(f) of the Practice Note 15 of the Listing Rules. In the absence of prior written consent from the Stock Exchange, participation by the Times China Non-Independent Participants in the Preferential Offering would be prohibited by paragraph 5(2) of Appendix 6 to the Listing Rules which restricts share allocations to directors or existing shareholders of the listing applicant or their close associates, whether in their own names or through nominees, unless the conditions set out in Rule 10.03 of the Listing Rules are fulfilled.

Rule 10.03 of the Listing Rules provides that directors of the listing applicant and their close associates may only subscribe for or purchase securities for which listing is sought which are being marketed by or on behalf of a new applicant if (a) no securities are offered to them on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and (b) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved.

The Reserved Shares offered to the Times China Non-Independent Participants are offered pursuant to the Preferential Offering and therefore the condition set out in Rule 10.03(1) of the Listing Rules is not fulfilled. However, the Times China Non-Independent Participants who are eligible to participate in the Preferential Offering will be participating in their capacity as Qualifying Times China Shareholders rather than in their capacity as Directors, on the same terms as all other Qualifying Times China Shareholders, and not on a basis of preferential treatment given to them in their capacity as Directors.

In view of the above, the Company has sought the Stock Exchange's consent for, and the Stock Exchange has granted to our Company, a waiver from strict compliance with Rule 10.03 of the Listing Rules and a consent under paragraph 5(2) of Appendix 6 to the Listing Rules for the inclusion of Times China Non-Independent Participants, who are Qualifying Times China Shareholders, as the eligible participants under the Preferential Offering, subject to the conditions that:

(a) no preferential treatment will be given to the Times China Non-Independent Participants who are Qualifying Times China Shareholders in the allocation of the Reserved Shares under the Preferential Offering;

(b) the Times China Non-Independent Participants in their capacity as Qualifying Times China Shareholders will not apply for such number of Reserved Shares which is more than the total number of Reserved Shares;

(c) save for the Preferential Offering, none of the Times China Non-Independent Participants will participate or indicate any interest in the International Placing and the Hong Kong Public Offering;

(d) the allocation of the Reserved Shares will be on a pro rata basis amongst all Qualifying Times China Shareholders (who have applied for the Reserved Shares) and no preferential treatment (in terms of allocation) will be given to the Times China Non-Independent Participants (who have applied for the Reserved Shares and in their capacity as Qualifying Times China Shareholders) as compared to other Qualifying Times China Shareholders; and

(e) the minimum public float requirement under Rule 8.08(1) of the Listing Rules will be complied with immediately after completion of the Spin-off.

THE SPIN-OFF

On September 6, 2019, the Stock Exchange confirmed that Times China may proceed with the Spin-off based on its proposal submitted to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules ("**PN15**"). The reduction of Times China's shareholding interest in our Company following completion of the Spin-off constitutes a deemed disposal of interest in a subsidiary of Times China under the Listing Rules. As each of the applicable ratios under Rule 14.07 of the Listing Rules for the Spin-off is below 5%, Times China is exempted from the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Times China has been listed on the Main Board of the Stock Exchange since 2013. Following completion of the Spin-off, Times China Group will be principally engaged in property development, urban redevelopment and property leasing, whereas our Group will focus on the provision of property management and related services. The Spin-off aims to allow separate platforms for the two businesses of Times China Group and our Group with clear delineation and allow the respective management of Times China Group and our Group to have a more defined business focus on their own core business segments.

REASONS FOR AND BENEFITS OF THE SPIN-OFF

The directors of Times China considers that the Spin-off will be commercially beneficial to Times China Group and our Group of the following reasons:

(a) the Spin-off will allow Times China's shareholders an opportunity to realize the value of investment in our Group under a separate standalone platform for the Group's business;

(b) the Spin-off will enable our Group to build our identity as a separate listed group, to have a separate fund-raising platform and to broaden our investor base through the Global Offering. The Spin-off would allow our Group to gain direct access to capital markets for equity and/or debt financing to fund our existing operations and future expansion without reliance on Times China, thereby improving our operating and financial management efficiencies;

(c) the Spin-off will enable our Group to enhance our corporate profile, thereby increasing our ability to attract strategic investors for making investments in and forming strategic partnerships directly with our Group, which could provide synergy for our Group; and

(d) the Spin-off will enable more focused development, strategic planning and better allocation of resources for Times China Group and our Group with respect to the business of each group. Both Times China Group and our Group will benefit from the efficient decision-making process under the separate management structure for seizing emerging business opportunities, especially with a dedicated management team for our Group to focus on our development.

In accordance with the requirements of PN15, Times China will give due regard to the interests of its shareholders by providing Qualifying Times China Shareholders with an assured entitlement to the Shares by way of the Distribution, being a distribution in specie of the Shares and the Preferential Offering if the Spin-off proceeds. Details of the Distribution are set out below. Under the Preferential Offering, each Qualifying Times China Shareholder is entitled pursuant to the Assured Entitlement to apply on the basis of one Reserved Share for every 24 Times China Shares held on the Record Date. For details of the Preferential Offering, please refer to "Structure and Conditions of the Global Offering" in this prospectus.

THE DISTRIBUTION

The Distribution will be satisfied wholly by way of a distribution in specie to Qualifying Times China Shareholders of an aggregate of 746,852,747 Shares, representing the entire issued share capital of our Company immediately following the Capitalization Issue and before completion of the Global Offering, pro rata to their respective shareholdings in Times China on the Record Date on the basis of one Share for every 2.6 Times China Shares held on the Record Date rounded down to the nearest Share. The Distribution is conditional on the Global Offering becoming unconditional in all respects. If such condition is not satisfied, the Distribution will not be made and the Spin-off will not take place.

Fractional entitlements of the Qualifying Times China Shareholders to the Shares under the Distribution will be retained by Times China for sale in the market and Times China will keep the net proceeds of sale, after deduction of related expenses therefrom, for the benefit of Times China.

Subject to the Distribution becoming unconditional, we expect to despatch share certificates to Qualifying Times China Shareholders who are entitled to receive Shares under the Distribution on or before Wednesday, December 18, 2019. Share certificates will only become valid if the Distribution becomes unconditional.

Our Shares will be traded in board lots of 1,000 Shares each. Haitong International Securities Company Limited will provide matching services, on a best efforts basis, to Qualifying Times China Shareholders to facilitate the trading of odd lots (if any) of Shares which the Qualifying Times China Shareholders may receive under the Distribution.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (WUMP) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief:

- the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive;
- there are no other matters the omission of which would make any statement herein or in this prospectus misleading; and
- all opinions expressed in this prospectus have been arrived at after due and careful consideration and are founded on basis and assumptions that are fair and reasonable.

INFORMATION AND REPRESENTATION

We have not authorized anyone to provide any information or to make any representation not contained in this prospectus. You should not rely on any information or representation not contained in this prospectus as having been authorized by us, the Sole Sponsor, and the Sole Global Coordinator, the Sole Bookrunner, the Joint Lead Managers and the Underwriters or any of our or their respective directors, officers or representatives or any other person involved in this Global Offering. No representation is made that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as at any date subsequent to the date of this prospectus.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers if they are in any doubt as to the taxation implications in relation to subscribing for, purchasing, holding or disposing of, and dealing in our Shares (or exercising rights attaching to them). It is emphasized that none of us, the Sole Sponsor, the Sole Global Coordinator, the Sole Bookrunner, the Joint Lead Managers, any of the Underwriters, any of their respective directors, agents, advisers, employees, personnel or any other persons or parties involved in the Global Offering accepts responsibility for any tax affairs or liabilities of any person resulting from the subscription for, purchase, holding or disposing of, dealing in our Shares, or the exercise of any rights attaching to our Shares.

Issuer	Times Neighborhood Holdings Limited
The Global Offering	The Global Offering of initially 161,820,000 new Shares comprising (i) 16,182,000 new Shares for subscription by the public in Hong Kong and (ii) initially 145,638,000 new Shares for subscription under International Placing (subject to reallocation) (among which 80,909,048 new Shares will be made available for subscription by Qualifying Times China Shareholders under the Preferential Offering.)
Offer price range	Not more than HK$5.80 per Offer Share and not less than HK$4.23 per Offer Share
Procedure for application for Hong Kong Public Offer Shares	See "How to apply for the Hong Kong Public Offer Shares and Reserved Shares" in this prospectus and the relevant Application Forms.
Conditions of the Hong Kong Public Offering	For details on the structure and conditions of the Hong Kong Public Offering, see "Structure and conditions of the Global Offering—Conditions of the Global Offering" in this prospectus.
Lock-up undertakings by our Company and the Controlling Shareholders	For more information, see "Underwriting—Underwriting Arrangements and Expenses—Undertakings to the Stock Exchange under the Listing Rules" and "Underwriting—Underwriting Arrangements and Expenses—Undertakings pursuant to the Hong Kong Underwriting Agreement" in this prospectus.

Stamp duty	Dealings in the Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current ad valorem rate of Hong Kong stamp duty is 0.1% on the higher of the consideration for or the market value of the Shares and it is charged on the purchaser on every purchase and on the seller on every sale of the Shares. In other words, a total stamp duty of 0.2% is currently payable on a typical sale and purchase transaction involving the Shares.
	Transfers of the Shares registered on our principal register of members in Cayman Islands will not be subject to Cayman Islands stamp duty unless our Company holds an interest in land in the Cayman Islands.
Application for listing on the Stock Exchange	Application has been made to the Listing Committee for the granting of the Listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Global Offering, and the Capitalization Issue. No part of the Share or the loan capital of our Company is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.
Restrictions on offers and offers for sale	No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstance in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation.

Eligibility for CCASS	Subject to the granting of the listing of, and permission to deal in, our Shares on the Stock Exchange and compliance of the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day (as defined in the Listing Rules) after any trading day. You should seek the advice of your stockbroker or other professional adviser for details of those settlement arrangements as such arrangements will affect your rights and interests. All necessary arrangements have been made for the Shares to be admitted into CCASS. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.
Language	If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail. Translated English names of Chinese laws and regulations, government authorities, institutions, natural persons or other entities included in this prospectus and for which no official English translation exists are unofficial translations for your reference only.
Rounding of figures	In this prospectus, where information is presented in hundreds, thousands, ten thousands, millions, hundred millions or billions, certain amounts of less than one hundred, one thousand, ten thousand, one million, a hundred million or a billion, as the case may be, have been rounded to the nearest hundred, thousand, ten thousand, million, hundred million or billion, respectively. Unless otherwise stated, all the numerical figures are rounded to one decimal place. Any discrepancies in any table or chart between totals and sums of amounts listed therein are due to rounding.

Exchange rate	For the purpose of illustration only and unless otherwise specified in this prospectus, amounts denominated in RMB have been translated into HK$ at the rate of RMB1.00 = HK$1.11 whereas the amounts denominated in HK$ have been translated into RMB at the rate of HK$1.00 = RMB0.90044. No representation is made that the RMB amounts could have been, or could be, converted into HK$ or vice versa at such rates or at any other rate on such date or on any other date.
Commencement of dealing in the Shares	Dealings in our Shares on the Main Board are expected to commence at 9:00 a.m. (Hong Kong time) on Thursday, December 19, 2019. Shares will be traded in board lots of 1,000 Shares each.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Ms. Wang Meng (王萌)	Room 302 66 Huijing North Road Tianhe District, Guangzhou Guangdong Province PRC	Chinese
Mr. Yao Xusheng (姚旭升)	Room 601, Building A9 Huasheng Yayuan 10 Ruixing Street Tianhe District, Guangzhou Guangdong Province PRC	Chinese
Ms. Xie Rao (謝嬈)	Room 802, Building A5 Fuli Tangning Garden Liwan District, Guangzhou Guangdong Province PRC	Chinese
Ms. Zhou Rui (周鋭)	Room 3604 10 Zhongshan Eighth Road Liwan District, Guangzhou Guangdong Province PRC	Chinese
Non-executive Directors		
Mr. Bai Xihong (白錫洪)	Flat A, 32nd Floor, Tower 2 The Dynasty 18 Yeung UK Road TWTL 394, Tsuen Wan New Territories Hong Kong	Chinese
Mr. Li Qiang (李強)	Room 1106 12 Huacheng Road Zhujiang New Town Tianhe District, Guangzhou Guangdong Province PRC	Chinese

Independent non-executive Directors

Mr. Lui Shing Ming, Brian (雷勝明)	3 Braga Circuit Ho Man Tin Kowloon Hong Kong	Chinese
Dr. Wong Kong Tin (黃江天)	Flat 6, 7th Floor, Block C 16 Kwai Yi Road New Kwai Fong Gardens Kwai Chung New Territories Hong Kong	Chinese
Dr. Chu Xiaoping (儲小平)	Room 1701, South Tower 208 Jiangyi Road Haizhu District, Guangzhou Guangdong Province PRC	Chinese

For further details of each member of our Board, please refer to “Directors and Senior Management” in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor	**Haitong International Capital Limited** 8th Floor, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Sole Global Coordinator	**Haitong International Securities Company Limited** 22nd Floor, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Sole Bookrunner	**Haitong International Securities Company Limited** 22nd Floor, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Joint Lead Managers	**Haitong International Securities Company Limited** 22nd Floor, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong

HeungKong Securities Limited
Suite 622, Ocean Centre, Harbour City
Tsim Sha Tsui
Kowloon
Hong Kong

Legal Advisors to Our Company

As to Hong Kong and U.S. laws:

Sidley Austin
39th Floor, Two International Finance Centre
8 Finance Street
Central
Hong Kong

As to PRC law:

Commerce & Finance Law Offices
6th Floor, NCI Tower
A12 Jianguomenwai Avenue
Chaoyang District
Beijing
PRC

As to Cayman Islands law:

Appleby
2206-19
Jardine House
1 Connaught Place
Central
Hong Kong

Legal Advisors to the Sole Sponsor and the Underwriters

As to Hong Kong law:

Deacons
5th Floor, Alexandra House
18 Chater Road Central
Hong Kong

As to PRC laws:

King & Wood Mallesons
25th Floor, Guangzhou CTF Finance Centre
No. 6 Zhujiang East Road
Zhujiang New Town
Tianhe District, Guangzhou
Guangdong Province
PRC

Auditor and Reporting Accountant	**Ernst & Young** *Certified Public Accountants* 22/F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong
Industry Consultant	**China Index Academy** Tower A No. 20 Guogongzhuang Middle Street Fengtai District Beijing PRC
Compliance Advisor	**Haitong International Capital Limited** 8th Floor, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Receiving bank	**Bank of China (Hong Kong) Limited** 1 Garden Road Hong Kong

Registered Office	71 Fort Street PO Box 500 George Town Grand Cayman KY1-1106 Cayman Islands
Headquarters and Registered Office in the PRC	1103, 11th Floor 410 Dongfeng Middle Road Yuexiu District, Guangzhou Guangdong Province PRC
Principal Place of Business in Hong Kong	Suites 4706-4707, 47th Floor Two Exchange Square 8 Connaught Place Central Hong Kong
Company's Website	**www.shidaiwuye.com** *(The information contained on this website does not form part of this prospectus)*
Compliance Adviser	**Haitong International Capital Limited** 8th Floor, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Company Secretary	Ms. Leung Suet Wing *(HKICS, ICSA)* 31st Floor, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Authorized Representatives	Ms. Zhou Rui Room 3604 10 Zhongshan Eighth Road Liwan District, Guangzhou Guangdong Province PRC Ms. Leung Suet Wing 31st Floor, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Audit Committee	Mr. Lui Shing Ming, Brian *(Chairman)* Dr. Wong Kong Tin Mr. Li Qiang

Remuneration Committee	Dr. Wong Kong Tin *(Chairman)* Mr. Bai Xihong Dr. Chu Xiaoping
Nomination Committee	Mr. Bai Xihong *(Chairman)* Mr. Lui Shing Ming, Brian Dr. Chu Xiaoping
Principal Share Registrar and Transfer Office in the Cayman Islands	**Appleby Global Services (Cayman) Limited** 71 Fort Street PO Box 500 George Town Grand Cayman KY1-1106 Cayman Islands
Hong Kong Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Principal Bankers	**Ping An Bank, Guangzhou Sinopec Building Branch** 1st Floor, Sinopec Building, Tower B 191 Tiyu Xi Road Tianhe District, Guangzhou Guangdong Province PRC **China Construction Bank, Zhongshan Longdu Branch** 3 Xijiao Yunhan Road Qijiang Highway Zhongshan Guangdong Province PRC **Guangdong Huaxing Bank, Guangzhou Branch** Room 109, 1st Floor Qiaoxin International Finance Centre 62 Jinsui Road Zhujiang New Town Tianhe District, Guangzhou Guangdong Province PRC

The information in this section is derived from an independent report prepared by CIA. The industry report prepared by CIA is based on information from its database, publicly available sources, industry reports, data obtained from interviews and other sources. We believe that the sources of the information in this section are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any part has been omitted that would render such information false or misleading. The information has not been independently verified by us, the Sole Sponsor, the Sole Global Coordinator, the Sole Bookrunner, Joint Lead Managers, the Underwriters, any of their respective directors, officers, affiliates, advisors or representatives, or any other party (other than CIA) involved in the Global Offering. We, the Sole Sponsor, the Sole Global Coordinator, the Sole Bookrunner and Joint Lead Managers, the Underwriters, any of their respective directors, officers, affiliates, advisors or representatives, and any other party (other than CIA) involved in the Global Offering make no representation as to the completeness, accuracy or fairness of such information and accordingly such information should not be unduly relied upon.

BACKGROUND AND METHODOLOGIES OF CIA

We purchased the right to use and quote various data from publications by CIA at a total cost of RMB800,000. Established in 1994, CIA is an independent property research organization in China with over 500 analysts. With 16 branches, it covers more than 600 cities across the five regions of Northern, Eastern, Southern, Central and Southwestern China. CIA has extensive experience researching and tracking the PRC property management industry, and has conducted research on the Top 100 Property Management Companies since 2008. In conducting its research, CIA primarily considers property management companies that have managed at least ten properties or an aggregate GFA of 500,000 sq.m. or above for the previous three years. CIA uses research parameters and assumptions and gathers data from multiple primary and secondary sources, including reported statistics from property management companies, websites and marketing materials, surveys, data from the China Real Estate Index System, the China Real Estate Statistics Yearbooks, public data from governmental authorities and data gathered for reports that it has previously published. In addition, each year CIA publishes the Top 100 Property Management Companies ranking PRC property management companies in terms of overall strength, primarily by evaluating data from the previous year in relation to management scale, operational performance, service quality, growth potential and social responsibility of the property management companies under consideration. CIA assesses the growth potential of property management companies primarily in terms of revenue growth rate, growth rate of total GFA under management, growth rate of total contracted GFA. Data analysis in this section is primarily based on the Top 100 Property Management Companies as ranked by CIA. In determining such rankings, CIA may assign the same ranking to multiple companies with the same or very close scores, and therefore it is possible that more than 100 companies may be classified as being among the top 100 in the industry. CIA may, upon specific request, prepare further rankings within the Top 100 Property Management Companies for certain indices. The Company requested CIA to rank itself within the Top 100 Property Management Companies for its CAGRs for net profit from 2016 to 2018 for the purpose of the Global Offering. In preparing the CIA Report, CIA assumed that: (i) the social, economic and political conditions in China and the world will remain stable during the forecast period; (ii) government policies on the property management industry in China will remain unchanged during the forecast period; (iii) all published data by the Statistics Bureaus are accurate; and (iv) all collected information relating to residential sales transactions from the relevant local housing administrative bureaus are accurate.

THE PRC PROPERTY MANAGEMENT INDUSTRY

Overview

The history of the PRC property management industry may be traced back to the early 1980s with the establishment of the first property management company in China. Since then, the PRC Government has sought to construct a regulatory framework for the PRC property management industry in parallel to its growth. According to CIA, the first of these were the Regulations on Property Management (物業管理條例) promulgated in June 2003. According to CIA, in 2012, the State Council issued the 12th Five-Year Plan for the Development of the

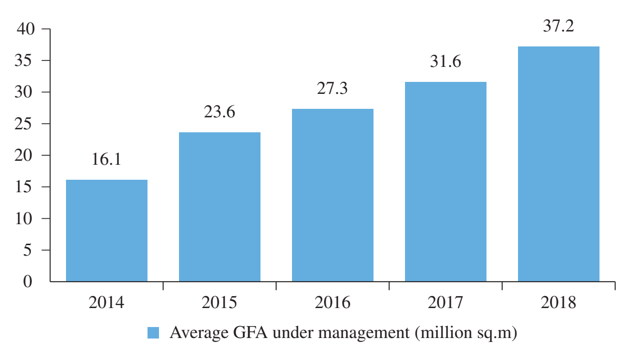
Service Industry (《服務業發展「十二五」規劃》), proposing to "encourage property management companies to develop diversified businesses. The PRC Government promulgated an increasing number of regulations over the years, establishing an open and fair market system for the property management industry that served to spur its rapid growth and development.

In China, property management fees may be charged on either a lump sum or commission basis. The lump sum basis revenue model is the dominant model of collecting property management fees in China, especially in relation to residential properties. The lump sum model can bring efficiency by dispensing with certain collective decision making procedures for large expenditures by property owners and residents and incentivize property management service providers to optimize their operations to enhance profitability. In contrast, the commission model is increasingly adopted in non-residential properties to make property owners more deeply involved in the management of their properties and property management service providers more closely supervised.

Overview of the Top 100 Property Management Companies

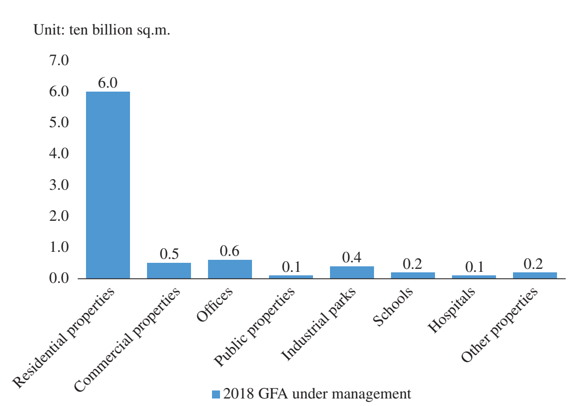
In recent years, following rapid urbanization and continuous growth in per capita disposable income, the GFA of properties managed by the Top 100 Property Management Companies have increased rapidly. The average GFA of properties managed by the Top 100 Property Management Companies increased to 37.2 million sq.m. as of December 31, 2018 from 16.1 million sq.m. as of December 31, 2014, representing a CAGR of 23.3%. As a result of the growth in GFA under management, the average revenue of the Top 100 Property Management Companies increased to RMB886.2 million in 2018 from approximately RMB425.0 million in 2014, representing a CAGR of 20.2%.

The following chart sets forth the rise in average GFA under management for the Top 100 Property Management Companies in the years indicated:



Source: CIA

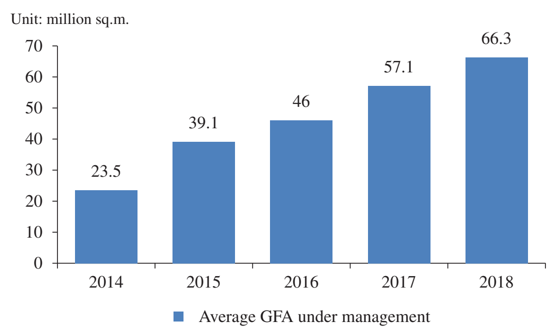
Residential properties continue to be the dominant type of property in the management portfolios of property management companies. The total GFA of residential properties managed by the Top 100 Property Management Companies as of December 31, 2018 amounted to 73.9% of their total GFA under management. We believe that this is partly due to the aggressive efforts of property management companies generally to hone the quality and efficiency of their services in relation to residential properties. The chart below sets forth the total GFA of each type of property managed by the Top 100 Property Management Companies as of December 31, 2018:



Corresponding to the significant growth in GFA under management, the Top 100 Property Management Companies have also become increasingly profitable. The average net profits for the Top 100 Property Management Companies increased to approximately RMB72.2 million in 2018 from approximately RMB45.8 million in 2016, representing a CAGR of 25.6%.

According to CIA, among the Top 100 Property Management Companies, 38 operated in the Great Bay area in 2018. The average GFA of properties managed by the Top 100 Property Management Companies in the Great Bay Area increased to approximately 66.3 million sq.m. as of December 31, 2018 from approximately 23.5 million sq.m., as of December 31, 2014, representing a CAGR of 29.6%. As a result of the growth in GFA under management, the average revenue of the Top 100 Property Management Companies in the Great Bay Area increased to approximately RMB1,595 million in 2018 from approximately RMB529 million in 2014, representing a CAGR of 31.8%. According to the same source, the average net profit of the Top 100 Property Management Companies in the Greater Bay Area increased to approximately RMB147.6 million in 2018 from approximately RMB19.7 million in 2014, representing a CAGR of 65.5%.

The following chart sets forth the rise in average GFA under management for the Top 100 Property Management Companies in the Greater Bay Area for the years indicated:



Residential properties are the dominant type of properties in the management portfolios of the Top 100 Property Management Companies in the Greater Bay Area. The total GFA of residential properties managed by the Top 100 Property Management Companies as of December 31, 2018 accounted for 52.8% of their total GFA under management.

Market Drivers

The growth of China's property management industry is attributable to various key drivers:

Rapid urbanization and increasing per capita disposable income

According to CIA, rapid urbanization in China and growth in per capita disposable income are principal growth drivers for the PRC property management industry. The urbanization rate (the projected average rate of change of the size of the urban population over a given period of time) in China increased from 33.4% as of December 31, 1998 to 59.6% as of December 31, 2018, and the PRC property management industry grew in parallel. The growing urbanization, increasing urban population, and expansion of the property market produce a high demand for property management services, stimulating the rapid development of the industry. Furthermore, China's rapid economic development has resulted in the formation of a middle- to high-income class of consumers and spurred continuous growth in the per capita disposable income for the urban population, which increased to RMB39,251 as of December 31, 2018, representing a CAGR of 9.6% since December 31, 2009. We expect that the abovementioned middle- to high-income class of consumers will be increasingly willing to pay premiums for quality and to increase their discretionary spending on goods and services beyond basic necessities. For example, there may be increasing demand for better living conditions and higher-quality property management services. We believe that the emerging middle- to high-income class of consumers in China and their growing spending power will have substantial influence on the development of mid- to high-end property management services in China.

Development of commodity residential properties

The supply of commodity properties (residential properties developed for sale) increased in parallel with rapid urbanization in China and growth in per capita disposable income. According to CIA, the total GFA of commodity residential properties sold in China increased from 1,305.5 million sq.m. as of December 31, 2013 to 1,716.5 million sq.m. as of December 31, 2018, representing a CAGR of 5.6%. The total GFA of commodity residential properties newly constructed in China increased by 17.2% from 1,786.5 million sq.m. as of December 31, 2017 to 2,093.4 million sq.m. as of December 31, 2018.

Favorable policies

According to CIA, in June 2003, the PRC Government promulgated the Regulations on Property Management, establishing a regulatory framework for the property management industry. Since then, a number of laws and rules have come into effect regulating various aspects of the property management industry and numerous policies enacted to promote its development. These include, but are not limited to, the Circular of the NDRC on the Opinions of Relaxing Price Controls in Certain Services (國家發展和改革委關於放開部分服務價格意見的通知) and the Guidance on Accelerating the Development of the Resident Service Industry to Promote the Upgrading of Consumption Structure (關於加快發展生活性服務業促進消費結構升級的指導意見). The State Council and the Central Committee of the Communist Party of China also promulgated the Recommendations on Strengthening and Improving the Governance of Urban and Rural Communities (關於加強和完善城鄉社區治理的意見) in June 2017. According to CIA, lots of policies are promulgated by the PRC Government to encourage property management companies to expand their business operations and bring their expertise into rural areas.

Future Trends in the PRC Property Management Industry

Increasing market concentration and merger and acquisition activities

The PRC property management industry is fragmented and competitive. Large-scale property management companies actively accelerate their expansion by means of organic growth and mergers and acquisitions of small and medium-sized property management companies in order to expand the scale of properties under management and realize economies of scale to improve their market position. Consequently, the market share of the Top 100 Property Management Companies in terms of GFA under management has increased from 19.5% as of December 31, 2014 to 38.9% as of December 31, 2018. As of December 31, 2018, the Top 100 Property Management Companies acquired a total of 327 property management companies, and acquired GFA under management of 635.0 million sq.m. The GFA under management acquired through acquisition accounted for 7.8% of the new GFA under management of the Top 100 Property Management Companies.

In 2018, the Top 100 Property Management Companies also showed that they have become increasingly strategic in evaluating and selecting targets. Potential targets were chosen for their ability to assist acquirers in fulfilling certain business strategies or for specific synergistic advantages in relation to their services, resources or other technical skill sets. In particular, some of the Top 100 Property Management Companies sought strategic partners that are able to assist in improving and supporting technical aspects of their online platforms. Through selective and strategic mergers and acquisitions, the Top 100 Property Management Companies were able to rapidly expand on a national scale. According to CIA, the Top 100 Property Management Companies are now primarily focused on honing their expertise and competing in the cities where they have established business operations.

Increasing standardization and adoption of information technology

Standardization allows property management companies to improve their service quality, and is the foundation for the sustainable expansion of business operations across regions. The PRC Government has issued Guidelines for Accelerating the Development of Consumer Services and Promoting the Upgrading of Consumption Structure (關於加快發展生活性服務業促進消費結構升級的指導意見). According to CIA, such policy is to introduce the idea of standardizing the quality of property management services. Many of the Top 100 Management Companies in China have established internal standardized operating procedures to guide their provision of services.

According to CIA, information technology has played an increasingly important role in property management services in recent years. Property management companies use information technology to implement technological solutions for automating key business operations. Technological solutions minimize human error and allow property management companies to consistently apply their standardized procedures and quality standards. In turn, this reduces their reliance on manual labor and therefore the costs involved in hiring employees and sub-contractors as well. Furthermore, centralized information technology enables property management companies to monitor the administrative and financial business operations of their branches, subsidiaries and offices, as well as ensure that they are consistently applying our policies, procedures and quality standards.

New opportunities in diversified services and intelligent communities facilitated by the internet

In response to residents' demands for better quality and diversified services as well as increasing operational pressure driven by general cost increases for property management companies, more property management companies are willing to adjust their business model. Service diversification in the property management industry is often facilitated by information technology and the Internet. With the help of the Internet and mobile applications, the development of intelligent communities gradually heats up. Centered around the needs of residents, an "intelligent community" (智慧園區) aims to achieve digitalization, automation, modernization and synergy of resident services through the integration of online and offline information and resources, the reflection of community characteristics and the use of Internet of Things, AI technology, cloud computing, intelligent terminal and other information technologies. The development of community value-added services and intelligent communities is also strongly encouraged by relevant PRC governmental authorities.

According to CIA, property management companies are increasingly developing intelligent and smart management of communities through the integration of online-to-offline (O2O) information and resources and provides a platform for one-stop services to property owners and residents. According to CIA, property management services companies are expected to enhance the expansion and diversification of value-added services, such as housekeeping, community retail business, community elder nursing, childcare and consulting services. According to CIA, there is vast market potential for community value-added services as they cater to the needs of property owners and residents. Market volume for community value-added services reached RMB0.9 trillion as of December 31, 2018, and is expected to increase to RMB1.8 trillion in 2025.

Growing focus on service quality and cost control

According to CIA, consumers place growing emphasis on service quality in selecting their property management service providers rather than basing their choices solely on cost considerations. The growth of a middle-to high-income class of consumers that is more willing to pay premiums for quality and increase their discretionary spending has spurred demand for better living conditions.

Driven by customer demand and intense competition, property management companies have invested to improve their service quality and paid more attention to their customers' requirements. The Top 100 Property Management Companies have responded to this trend by, among other steps optimizing their traditional property management services and upgrading the quality of their services by applying technological solutions. According to CIA, property management companies have reduced their overall cost of sales, increased operational efficiency and raised service quality by innovating with technological solutions and appropriately increasing the proportion of services performed by sub-contractors. According to CIA, sub-contracting allows property management companies to reduce overall labor costs as well as leverage the expertise of sub-contractors in their respective fields to enhance efficiency in providing services.

Increasing labor and operating cost

Property management services market is labor-intensive and labor cost is the largest component of property management services companies' cost of services. In this market, the daily operation, such as security, cleaning, gardening and repair and maintenance services relies heavily on the manual labors. From 2016 to 2018, the labor cost of the Top 100 Property Management Companies accounted for 53.4%, 55.8% and 57.8% of their total cost of sales, respectively. The minimum wage in China is mainly set according to the standards issued by governments at provincial and local levels. In recent years, the minimum wage has increased significantly in various regions, which directly increases the labor costs. In addition, the utility fees such as electricity and water also have increased in the last few years. The rising labor cost and utility fee may reduce the profit margin for property management companies and impose greater pressure for those companies in the market.

New opportunities in urban redevelopment projects

According to CIA, there are increasing number of property management companies and property development companies participating in the urban redevelopment projects in recent years. Urban redevelopment projects refer to the demolition, reconstruction and safety maintenance of the old urban infrastructures. Property management companies will provide property management services and value added services to property developers and residence in such urban redevelopment projects. Major property developers' active participation in urban redevelopment projects gives property management companies increasing opportunities in urban redevelopment projects. According to CIA, as of June 30, 2019, the Top Five Property Development Companies had an aggregate land reserve of approximately 167.0 million sq.m for urban redevelopment projects. With the gradual transformation of China's economic development from "high speed" to "high quality", the upgrading, transformation and innovative utilization of existing infrastructures in urban redevelopment will become a new direction of urban development and a new economic growth point.

Competition Landscape

Overview

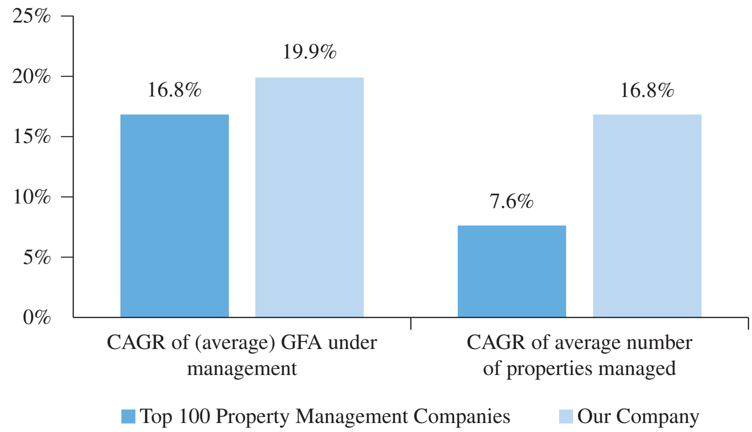
According to CIA, the PRC property management industry is fragmented and competitive, with approximately 120,000 property management service providers operating in the industry in 2018. We primarily compete against the other Top 100 Property Management Companies, particularly those who operate in the Greater Bay Area. According to CIA, the market share of the Top 100 Property Management Companies was approximately 38.9% in terms of GFA under management in 2018. According to CIA, we ranked 13th among the 2019 Top 100 Property Management Companies in terms of overall strength, representing an improvement of 25 places upwards from our rank of 38th in 2015.

According to CIA, among the Top 100 Property Management Companies, 38 were operated in the Greater Bay Area in 2018, among which we were ranked 11th and seventh in terms of the overall strength and average revenue per sq.m., respectively, in 2018. Our market share among the Top 100 Property Management Companies in the Greater Bay Area was approximately 0.74% in terms of GFA under management as of December 31, 2018.

Our competitive position

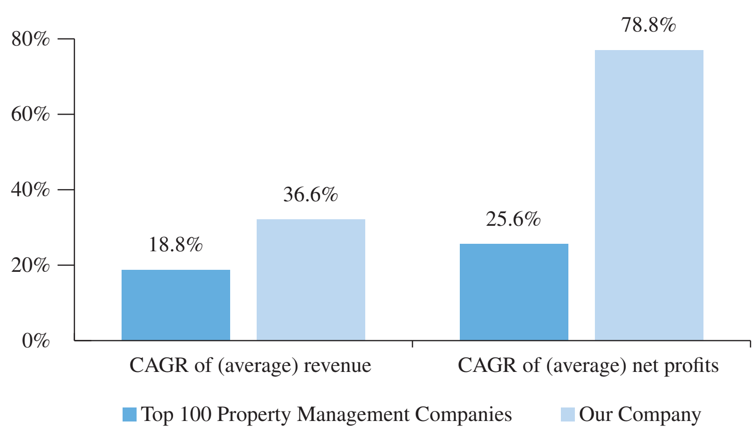
Major property management companies in China experienced steady growth in GFA under management and the number of properties managed. According to CIA, the average number of properties managed by our Company increased at a CAGR of 16.8% from 2016 to 2018, higher than the CAGR for average number of properties managed by the Top 100 Properties Management Companies, which is 7.6%. For the same periods, our GFA under management increased at a CAGR of 19.9%, which is relatively higher than the CAGR for average GFA managed by the Top 100 Property Management Companies of 16.8%. Moreover, our average

GFA per project (calculated as the total GFA under management divided by the number of properties managed by our Company) reached 208,556 sq.m., which is also higher than that of the Top 100 Property Management Companies.



Source: CIA

Major property management companies in China have experienced steady improvement in profitability due to the increase in GFA under management and effective cost control measures. According to CIA, from 2016 to 2018, the average revenue and net profits for the Top 100 Property Management Companies increased at a CAGR of 18.8% and 25.6%, respectively, while our revenue and net profits for the same periods increased at a CAGR of 36.6% and 78.8%, respectively during the same periods. According to CIA, we were ranked fourth in terms of the CAGR of net profits from 2016 to 2018 among the Top 20 Property Management Companies in 2019.



Source: CIA

According to CIA, our revenue from diversified services (including value added services to non-property owners, community value-added services and other professional services) in 2018 accounted for 41.9% of our revenue, which is much higher than that of the Top 100 Property Management Companies, being 19.5% for the same year.

Our number of undelivered projects in pipeline* increased from 14 as of December 31, 2016 to 45 as of December 31, 2018 at a CAGR of 79.3%, which is much higher than that of the Top 100 Property Management Companies, being 8.0% for the same periods. Meanwhile, the undelivered GFA of our Company increased at a CAGR of 101.1% from 2016 to 2018, which is much higher than that of the Top 100 Property Management Companies, being 12.0%, for the same periods.

* Undelivered projects in pipeline are the projects in relation to which we have entered property management service contracts and which are not ready to be delivered to us for management.

According to CIA, average property management fee for residential properties managed by Top 100 Property Management Companies was RMB2.3 per sq.m. per month in 2018; in comparison, average property management fee for residential properties managed by our Company was RMB2.4 per sq.m. per month in 2018.

Our competitive position in the Greater Bay Area

Our Company has been deeply rooted in the Greater Bay Area for more than 20 years, continuously expanding the scope of property management in the Greater Bay Area, and further consolidating the competitive advantage in this area. As of December 31, 2018, out of our 90 projects under management across China, 83 were located in the Greater Bay Area, representing approximately 82.7% of our GFA under property management, which according to CIA, was highest among the Top 20 Property Management Companies in China. As of June 30, 2019, out of our 204 property management service projects under management and six municipal sanitation projects across China, 191 were located in the Greater Bay Area, representing approximately 87.7% of our total GFA under management.

According to CIA, our revenue from diversified services (including value added services to non-property owners, community value-added services and other professional services) in 2018 accounted for 41.9% of our revenue, which is much higher than that of the average of Top 100 Property Management Companies in the Greater Bay Area, being 22.2% for the same year. Our number of undelivered projects* in pipeline increased from 14 as of December 31, 2016 to 45 as of December 31, 2018 at a CAGR of 79.3%, which is much higher than that of the average of Top 100 Property Management Companies in the Greater Bay Area, being 39.2% for the same periods. Meanwhile, the undelivered GFA of our Company increased at a CAGR of 101.1% from 2016 to 2018, which is much higher than that of the average of Top 100 Property Management Companies in the Greater Bay Area, being 21.5%, for the same periods. Moreover, our average GFA per project (calculated as the total GFA under management divided by the number of properties managed by our Company) reached 208,556 sq.m., which is also higher than that of the Top 100 Property Management Companies in the Greater Bay Area, being 195,700 sq.m. in 2018.

Entry barriers

Brand awareness and reputation: According to CIA, new market entrants will face difficulties penetrating into a market where consumers increasingly value service quality. In selecting property management service providers, property developers, property owners and residents are likely to prioritize companies that have had longer operating histories. New market entrants are at a disadvantage in comparison to property management companies who have built up their brand value and reputation for quality through years of service.

Capital requirements: Property management companies will require increasingly large amounts of capital as they begin experimenting or implementing technological solutions to automate their business operations and lower labor costs, particularly if they have large-scale business operations and must consistently apply their policies to subsidiaries and branches located throughout China.

Quality of management: According to CIA, the expertise and experience of management teams may significantly contribute to the competitiveness of property management companies. Property management companies now have to seamlessly implement technological solutions, management systems, service quality standards and internal policies and procedures across networks of subsidiaries, branches and offices.

Availability of talent and technical expertise: Property management depends on manual labor, not only for the performance of property management services but also for implementing and innovating technological solutions. It is increasingly difficult for property management companies to recruit and retain talented individuals who are up to date with the technological advances in the industry. New market entrants may find it difficult to compete against larger property management companies with better brand value and recognition for talent.

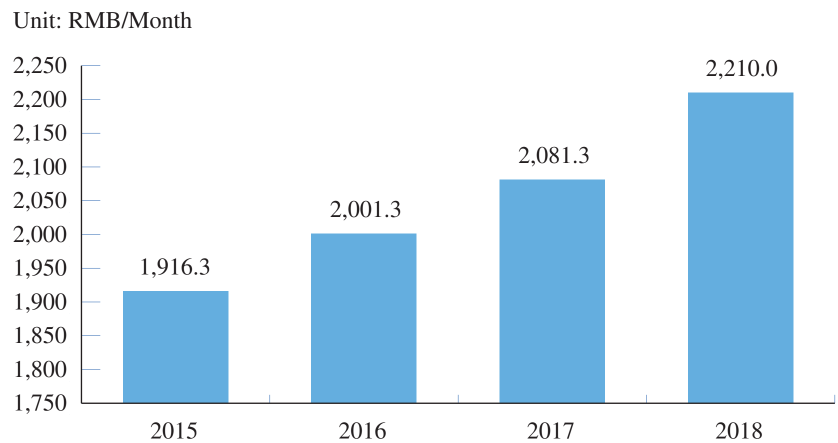
Our Competitive Strengths

See "Business—Competitive Strengths" in this prospectus.

Historical Price Trends

Property management companies constantly balance ever-rising labor costs with the necessity of providing quality services. A property management business relies on the availability of cheap and abundant manual labor. However, according to CIA, inflation has caused the overall amount of consumer spending, wages and other related labor costs to rise in recent years. This places additional pressure on property management companies seeking to expand their business operations. In doing so, they would need to enlarge their workforce.

The following chart demonstrates that minimum wages for first-tier cities have increased between 2015 and 2018:



Source: CIA

According to CIA, property management companies may reduce their overall cost of sales by innovating with technological solutions and appropriately increasing the proportion of services performed by sub-contractors. In recent years, the Top 100 Property Management Companies have actively experimented with and employed technological solutions to automate their business operations. By doing so, they are able to increase operational efficiency and raise service quality. According to CIA, sub-contracting allows property management companies to reduce overall labor costs as well as leverage the expertise of sub-contractors in their respective fields to enhance efficiency in providing services.

PRC MUNICIPAL SANITATION MARKET

Overview

According to CIA, the municipal sanitation market primarily consists of urban road cleaning, waste collection and public toilet cleaning markets. We strategically focus on the urban road cleaning and waste collection markets. The total urban road cleaning area in China increased from 5.7 billion sq.m. in 2012 to 8.4 billion sq.m. as of December 31, 2017[1], representing a CAGR of 8.0%, and is expected to further increase to 13.0 billion sq.m. as of December 31, 2023 at a CAGR of 8.0% from 2017. In 2017[1], the urban waste collection volume was 215 million tons, a 26.0% increase over that of 2012, and is expected to further increase to 284.0 million tons in 2023 at a CAGR of 4.7% from 2017. In the future, the scale of the municipal sanitation market will increase with the increasing demand of urban road cleaning and household waste cleaning with high growth prospect.

1. According to CIA, the total urban road cleaning area and the urban waste collection volume in China in 2018 had not been published by the National Bureau of Statistics as of the Latest Practicable Date.

Market Drivers and Future Trends

According to CIA, the growth of the municipal sanitation market mainly arises from the increasing market demand, which is driven by the following factors:

Rapid urbanization and increasing per capita disposable income. According to CIA, rapid urbanization in China and growth in per capita disposable income are principal growth drivers for the PRC municipal sanitation market, which have resulted in the formation of a middle- to high-income class of urban population. The middle- to high-income class of urban population will be increasingly expecting better urban living conditions, which will substantially promote the development of municipal sanitation industry;

Increasing governmental financial investment. According to CIA, the governmental financial investment in urban and rural communities has been steadily increased to promote the continuous development of the municipal sanitation industry. In 2018, the fiscal input that government spent on urban and rural community affairs increased from RMB1.1 trillion in 2013 to RMB2.3 trillion in 2018, representing a CAGR of 15.3%.

The future trends of the municipal sanitation industry primarily include:

Increasing degree of automation. Due to the strict standards and high requirements of municipal sanitation services, market participants are increasing the investment in sanitation vehicles to increase the degree of automation and lower labor costs.

Increasing adoption of intelligent technologies. Intelligent technologies have played an increasingly important role in the municipal sanitation industry in recent years. Municipal sanitation service companies adopt technological solutions to digitalize business operations.

Enlarging project scales. The scale of a single municipal sanitation project is expected to increase in the future, which indicates higher requirements on the management, service quality and amount of capital of the market participants.

Competition and Entry Barriers

According to CIA, the municipal sanitation industry is in the stage of marketization, and is fragmented and competitive. Municipal sanitation companies generally obtain service contracts through public bidding, especially for government project. The government has specific and high standards for the professional capabilities for the bidding companies, indicating a relatively high entry threshold for the municipal sanitation industry. According to CIA, our subsidiary Guangzhou Dongkang, is a market-oriented professional municipal sanitation service provider with A-level qualification for the sanitation industry which we acquired in July 2019, the president enterprise of the Guangzhou Municipal Sanitation Association (廣州環衛行業協會會長單位) and a pilot enterprise of advanced standards of the modern service industry of China and Guangdong province.

The entry barriers of municipal sanitation industry primarily include:

High thresholds in public bidding. Municipal sanitation companies generally obtain service contracts through public bidding, especially for government projects. New market entrants may find it difficult to compete against larger municipal sanitation companies with better qualifications and brand awareness.

High industry standards. According to CIA, the relatively high service standards in the municipal sanitation industry increase the difficulties of securing and renewing service contracts for new market entrants.

PRC ELEVATOR SERVICE MARKET

Overview

According to CIA, the elevator services include sale, installation, repair and maintenance of elevators. China's elevator service industry, as the downstream industry of the elevator construction industry, has been developing continuously for 30 years driven by the huge market power created by the rapid development of China's elevator construction industry.

Growth Drivers and Future Trends

According to CIA, the growth of elevator service market is mainly driven by the following two factors:

Rapid urbanization and the aging of population. According to CIA, the driving force of market demand for elevator service industry has changed to the upgrading and renovation of old elevators, the acceleration of the market increment of home elevators and the elevator installation of existing buildings, due to the aging of population. The number of elevators in China increased from 4.3 million as of December 31, 2015 to 6.3 million as of December 31, 2018, representing a CAGR of 13.8% and is expected to increase at relatively high growth rate as a result of rapid urbanization in the future. According to CIA, the Government Work Report has proposed "supporting the installation of elevators and the construction of barrier-free environment" for two consecutive years from 2018 to 2019, which will substantially promote the development of market service industry as well.

Favorable policies. According to CIA, the government has issued various policies to encourage the installation of elevators, such as the "Code for Residential Projects (Draft for Comments) (《住宅項目規範(徵求意見稿)》)" and "Code for Non-residential Projects (Draft for Comments) (《非住宅項目規範(徵求意見稿)》)" issued by the General Office of MOHURD in February 2019, which have specifically required the installation of elevators in newly constructed buildings, eventually promoted the rapid growth of the elevator service market.

In recent years, elevator production has been increasing annually, constantly promoting the growth of elevator service market scale. According to CIA, the number of elevator production increased from 529,000 units in 2015 to 719,000 units in 2018, representing a CAGR of 10.8%, and is expected to further increase to 1,200,000 units in 2023 at a CAGR of 10.8% from 2018. The steady growth of elevator production constantly promotes the growth of the related services, such as sale, installation, repair and maintenance of elevators, providing a good development space for the elevator service industry.

Competition and Entry Barriers

According to CIA, the elevator service industry in the PRC is highly competitive. The entry barriers of elevator service industry primarily include the following factors:

High qualification requirements. According to CIA, elevator service companies shall obtain relevant licenses to operate. In May 13, 2019, the SAMR promulgated the "Regulation for Units Engaged in Production and Filing licensing of Special Equipment (《特種設備生產和充裝單位許可規則》)". According to CIA, such regulation provided comprehensive and detailed provisions on the two licenses (manufacturing and installation) related to elevator industry, and further increased the entry barrier of elevator service industry.

Strict government supervisions. According to CIA, new market entrants will face great regulatory pressure from the government when they enter the elevator service industry as a result of increasing number of regulations in the elevator service industry.

Availability of qualified employees. According to CIA, the qualification requirement for personnel who provide elevator services has increased as a result of the "Notice of the General Administration of Market Supervision on Administrative Licensing of Special Equipment (No. 3) (《國家市場監督管理總局關於特種設備行政許可有關事項的公告(第3號)》)" issued by SAMR in February 2019. New market entrants may find it difficult to recruit qualified personnel.

DIRECTOR'S CONFIRMATION

As of the Latest Practicable Date, after taking reasonable care, our Directors confirm that there was no adverse change in the market information since the date of the commissioned CIA Report which may qualify, contradict or have an impact on the information in this section.

LEGAL SUPERVISION OVER PROPERTY MANAGEMENT SERVICES

Foreign Invested Property Management Enterprises

According to Provisions on Guiding the Orientation of Foreign Investment (《指導外商投資方向規定》) (Order No. 346 of the State Council) (issued by the State Council on February 11, 2002 and came into effect on April 1, 2002), foreign investment projects are divided into four categories, namely "encouraged", "permitted", "restricted" and "prohibited". Foreign investment projects of the encouraged, restricted and prohibited categories are listed in the Catalog of Industries for Guiding Foreign Investment (《外商投資產業指導目錄》). Foreign investment projects that are not of the encouraged, restricted and prohibited categories belong to the permitted foreign investment projects which are not listed in the Catalog of Industries for Guiding Foreign Investment.

Pursuant to Announcement of the NDRC and the MOFCOM [2016] No. 22 issued on October 8, 2016, the special entry management measures shall be implemented with reference to the relevant regulations as stipulated in the Catalog of Industries for Guiding Foreign Investment in relation to the restricted foreign-invested industries, prohibited foreign-invested industries and encouraged foreign invested industries. Pursuant to the Provisional Administrative Measures on Establishment and Modifications (Filing) for Foreign Investment Enterprises (《外商投資企業設立及變更備案管理暫行辦法》) promulgated by MOFCOM on October 8, 2016 and amended on July 30, 2017 and June 29, 2018, establishment and modifications of foreign investment enterprises that are not subject to the approval under the special entry management measures shall be filed with the delegated commercial authorities.

The Catalog of Industries for Guiding Foreign Investment (2017 Revision) (《外商投資產業指導目錄(2017年修訂)》) (jointly revised by the NDRC and the MOFCOM on June 28, 2017 and came into effect on July 28, 2017) and the Special Administrative Measures on Access to Foreign Investment (Negative List) (2018 Version) (《外商投資准入特別管理措施(負面清單)(2018年版)》) (issued by NDRC and the MOFCOM on June 28, 2018 and came into effect on July 28, 2018) classifies industries to be invested by foreign investors into two categories: encouraged industries and industries contained in the Negative List (including restricted industries and prohibited industries). Foreign investment can directly invest in an encouraged industry by setting up a wholly foreign-owned enterprise. For industries contained in the restricted industries, foreign investment may be conducted through the establishment of a wholly foreign-owned enterprise, subject to certain requirements, and in some cases, the establishment of a joint venture enterprise is required with varying minimum shareholdings for the PRC party depending on the particular industry. Foreign investment of any kind is not allowed to invest in a prohibited industry. Any industry not falling into any of the encouraged, restricted or prohibited industries is a permitted industry, which is generally open to foreign investment unless specifically prohibited or restricted by other PRC regulations. And the property management industry is an industry that allows foreign investors to make investments.

The Encourage List for foreign investment access specified in the Catalog of Industries for Guiding Foreign Investment (2017 Revision) is repealed by the Catalog of Encouraged Industries for Foreign Investment (2019 Version) (Order No. 27 of the National Development and Reform Commission and the Ministry of Commerce) (《鼓勵外商投資產業目錄(2019年版)》) (issued by the NDRC and the MOFCOM on June 30, 2019 and came into effect on July 30, 2019). According to the Administrative Measures on Access to Foreign Investment (Negative List) (2019 Version) (《外商投資准入特別管理措施(負面清單) (2019年版)》) (Decree [2019] No. 25 of the NDRC and the MOFCOM) issued by the NDRC and the MOFCOM on June 30, 2019 and came into effect on July 30, 2019, the Special Administrative Measures on Access to Foreign Investment (Negative List) (2018 Version) is repealed simultaneously. In addition, pursuant to the Negative List (2019 version), the number of items subject to special administrative measures is cut from 48 to 40 and the property management industry does not fall within the negative list for access of foreign investment.

Qualification of Property Management Enterprises

According to the Regulations on Property Management (2016 Version) (《物業管理條例》(2016年版)) (Order No. 379 of the State Council) (issued by the State Council on June 8, 2003, came into effect on September 1, 2003 and revised on August 26, 2007 and February 6, 2016), a qualification system for enterprises engaging in property management activities has been adopted.

According to the Decision of the State Council on Canceling the Third Batch of Administrative Licensing Items Designated by the Central Government for Implementation by Local Governments (《國務院關於第三批取消中央指定地方實施行政許可事項的決定》) (Guofa [2017] No. 7) (issued by the State Council on January 12, 2017 and came into effect on the same day), province and city level second class or below property management enterprise qualifications acknowledged by provincial and municipal government departments of Housing and Urban-Rural were canceled.

According to the Decision of the State Council on Canceling a Group of Administrative Licensing Items (《國務院關於取消一批行政許可事項的決定》) (Guofa [2017] No. 46) (issued by the State Council on September 22, 2017 which came into effect on the same day), qualification accreditation for property management enterprises of Level One was canceled.

According to the Notice of the General Office of Ministry of Housing and Urban-Rural Development on Effectively Implementing the Work of Canceling the Qualification Accreditation for Property Management Enterprises (《住房城鄉建設部辦公廳關於做好取消物業服務企業資質核定相關工作的通知》) (Jian Ban Fang [2017] No. 75) (issued by the General Office of Ministry of Housing and Urban-Rural Development on December 15, 2017 and came into effect on the same day), application, change, renewal or re-application of the qualifications of property management enterprises shall not be accepted, and the qualifications obtained already shall not be a requirement for property management enterprises to undertake new property management projects.

On March 19, 2018, the State Council issued Decision of the State Council to Amend and Repeal Certain Administrative Regulations (2018) (國務院關於修改和廢止部分行政法規的決定(2018)) (Order of the State Council No. 698), according to which the Regulations on Property Management (物業管理條例) was amended. The Regulations on Property Management (2018 revision) (物業管理條例(2018年修正)) has removed all the qualification requirements for the property management enterprises.

The Establishment of Property Owners' Associations

According to the Property Law of the PRC (《中華人民共和國物權法》) (Order No. 62 of the President of the PRC) issued by the National People's Congress on March 16, 2007 which came into effect on October 1, 2007, the general meeting of property owners may vote to establish a property owners' association. The property owners' association is elected by the property owners, and represents their interest in matters related to property management, and the association's decisions are binding on the property owners. Property owners of non-residential properties are not required to establish a property owners' association under the relevant PRC laws and regulations.

According to the Regulation on Property Management (2018 Version) (《物業管理條例(2018年版)》) (Order No. 379 of the State Council) (promulgated by the State Council on June 8, 2003, which came into effect on September 1, 2003 and was revised on August 26, 2007, February 6, 2016 and March 19, 2018), to form the general meeting of the property owners and elect the property owners' association, the property owners in the property management area shall follow the guidelines of the real estate administrative department of the district or county government or the sub-district office (街道辦事處) or the township government (鄉鎮政府). The local government may assist property owners in the formation of the property owners' association, providing guidelines and advice. The Circular on Issuing the Guidance Rules of the General Meeting of the Property Owners and the Property Owners' Association (關於印發《業主大會和業主委員會指導規則》的通知) (JF[2009] No. 274) (promulgated by MHURD on December 1, 2009, which came into effect on January 1, 2010) provides a practical guideline for the establishment and governance of the general meeting of property owners and property owners' association, and the supervision of the real estate administrative department of the local government.

Appointment of Property Management Enterprises

According to the Property Law of the PRC (《中華人民共和國物權法》) (Order No. 62 of the President of the PRC) issued by National People's Congress on March 16, 2007 and came into effect on October 1, 2007, property owners can either manage the buildings and the ancillary facilities by themselves, or engage a property service enterprise or other custodians. Property owners are entitled, according to the laws, to replace the property service enterprise or other custodians engaged by the developer. Property service enterprises or other custodians shall manage the buildings and the ancillary facilities within the district of the building as entrusted by the owners, and shall be subject to the supervision by the owners.

According to the Regulations on Property Management (2018 Version) (《物業管理條例(2018年版)》) (Order No. 379 of the State Council) (promulgated by the State Council on June 8, 2003, came into effect on September 1, 2003 and revised on August 26, 2007, February 6, 2016 and March 19, 2018), a general meeting of the property owners of a community can engage or dismiss the property management enterprise with affirmative votes of owners who own more than half of the total GFA of the community and who account for more than half of the total number of the property owners. Property owners' association, on behalf of the general meeting, can sign property management service contract with property management enterprises engaged at the general meeting. Before the engagement of a property management enterprise by property owners and a general meeting of the property owners, a written preliminary property management service contract should be entered into between the property developer and the selected and engaged property management enterprise. The preliminary property management service contract may stipulate the contract duration. If the property management service contract signed by the property owners' association and the property management enterprise comes into force within the term of preliminary property management service contract, the preliminary property management service contract automatically terminates. Property developers of residential buildings shall enter into preliminary property management service contract with property management enterprises through tender process.

According to the Regulations on Property Management and the Interim Measures for Tender and Bidding Management of Preliminary Property Management (《前期物業管理招標投標管理暫行辦法》) (Jian Zhu Fang [2003] No. 130) issued by the Ministry of Housing and Urban-Rural Development on June 26, 2003 and came into effect on September 1, 2003), developer of residential buildings and non-residential buildings in the same property management area shall engage qualified property management enterprises by inviting bid or publish announcement on public media. In case where there are less than three bidders or for small-scale properties, the developer can hire qualified property management enterprises by signing an agreement with the approval of the real estate administrative department of the local government of the place where the property is located. Where the developer fails to hire the property management enterprise through a tender and bidding process or hire the property management enterprise by signing agreement without the approval of relevant government authority, the competent real estate administrative department of the local government at the county level or above shall order it to make correction within a prescribed time limit, issue a warning and impose with the penalty of no more than RMB100,000.

Tender evaluation shall be the responsibility of the tender evaluation committee established by the developer in accordance with relevant laws and regulations. The tender evaluation committee shall be composed of the representative of the developer and experts in the related property management fields and the number of members shall be an odd number of no less than five. The expert members shall represent at least two-thirds of the total members. Expert members in the tender evaluation committee shall be determined by random select from the roster of experts established by the competent real estate administrative department. A person having an interest with a bidder may not join the tender evaluation committee of the related project.

In addition, Interpretation of the Supreme People's Court on Several Issues the Specific Application of Law in the Trial of Cases of Disputes over Property Management Service (《最高人民法院關於審理物業服務糾紛案件具體應用法律若干問題的解釋》) (Fa Shi [2009] No. 8) that issued by the Supreme People's Court on May 15, 2009 and came into effect on October 1, 2009, stipulates the interpretation principles applied by the court when hearing disputes on specific matters between property owners and property management enterprises. For example, the preliminary property management service contract signed according to the relevant laws and regulations by the developer and the property management enterprise and the property management service contract signed by the property owners' association and property management enterprises hired according to the relevant laws and regulations by the general meeting are legally binding on property owners, the people's court shall not support a claim if property owners plead as property owners are not a party to the contract. The court shall support a claim if property owners' association or property owners appeal to the court to confirm that the clauses of property management service contracts which exempt the responsibility of property management enterprises or which aggravate the responsibility or harm the rights of property owners' association or property owners are invalid.

Fees Charged of Property Management Enterprises

According to the Measures on the Charges of Property Service (《物業服務收費管理辦法》) (Fa Gai Jia Ge [2003] No. 1864) which was jointly issued by NDRC and Ministry of Housing and Urban-Rural Development on November 13, 2003 and came into effect on January 1, 2004, property management enterprises are permitted to charge fees from property owners for the maintenance, conservation and management of properties, ancillary facilities and related grounds, and the maintenance of the environmental health and order of relevant areas according to relevant property management services contracts.

The fees charged by property management companies nationwide are regulated by the competent price administration department and construction administration department of the State Council. The competent price administration department of the local people's governments at or above the county level and the competent property administration departments at the same level are responsible for supervising and regulating the fees charged by property management companies in their respective administrative regions.

The fees charged by property management companies shall be based on both the government guidance price and market regulated price on the basis of the nature and features of relevant properties. The specific pricing principles shall be determined by the competent price administration departments and property administration departments of the people's governments of each province, autonomous region and municipality directly under the Central Government.

As agreed between the property owners and property management companies, the fees for the property management services can be charged either as a lump sum basis or a commission basis. The lump sum basis refers to the charging mode requiring property owners to undertake the fixed property management expenses to property management companies who shall enjoy or assume the surplus or deficit. The commission basis refers that property management companies may collect its service fee in the proportion or amount as agreed from the property management income in advance, the rest of which shall be exclusively used on the items as stipulated in the property management service contract, and property owners shall enjoy or assume the surplus or deficit.

Property management companies shall charge service fees at an expressly marked prices according to the regulations of competent price administration departments of the people's government, revealing the service information, standards, charged items and standards to the public at prominent positions within the property management region.

According to the Regulation on Clearly Marking the Prices of Property Services (《物業服務收費明碼標價規定》) (Fa Gai Jia Jian [2004] No. 1428), which was Jointly issued by NDRC and Ministry of Construction on July 19, 2004 and came into effect on October 1, 2004, property management enterprises, during their provision of services to the property owners (including the property management services as stipulated in the property service contract as well as other services requested by property owners), shall charge service fees at expressly marked prices, and display their service items, standards and other related contents. In case there is any change to the pricing standard, the property management enterprise shall adjust the related contents displayed and indicate the execution date of new standards one month prior to the implementation of the new standards.

According to the Property Management Pricing Cost Supervision and Examination Approaches (Trial) (《物業服務定價成本監審辦法(試行)》) (Fa Gai Jia Ge [2007] No. 2285) (jointly promulgated by the National Development and Reform Commission and the MOHURD on September 10, 2007 and came into effect on October 1, 2007), competent pricing department of people's government formulates or regulates property management charging standards for which government guidance price are carried on and implements pricing cost supervision and examination on relevant property management enterprises. Property management pricing cost is determined according to the social average cost of property management services verified by the competent pricing department of the people's government. With the assistance of competent real estate administrative department, competent pricing department is responsible to organize the implementation of the property management pricing cost supervision and examination work. Property management services pricing cost shall include staff costs, expenses for daily operation and maintenance on public facilities and equipment, green conservation costs, sanitation fee, order maintenance cost, public facilities and equipment as well as public liability insurance costs, office expenses, shared administration fee, fixed assets depreciation and other fees approved by property owners.

According to the Circular of NDRC on the Opinions for Decontrolling the Prices of Some Services (《國家發展和改革委員會關於放開部分服務價格意見的通知》) (Fa Gai Jia Ge [2014] No. 2755) (promulgated by NDRC and became effective on December 17, 2014), the competent price departments of all provinces, autonomous regions and municipalities directly under the PRC Government are supposed to perform relevant procedures to liberalize the prices of the following types of services that have met the relevant conditions:

(1) Property management services for non-government-supported houses. Property management fees are fees charged by property management service providers for (i) the maintenance, conservation and management of non-government-supported houses, their supporting facilities and equipment and the relevant sites thereof, (ii) maintaining the environment, sanitation, and order within the geographical scope of the managed properties as agreed upon in the property management service contract, and (iii) other actions entrusted by the property owner in accordance with the property management service contract. The provincial price authorities shall, jointly with the housing and urban-rural development administrative authorities, implement government guidance prices for property management fees charged in relation to government-supported houses, houses under housing reform, older residential communities and preliminary property management services with regard to the actual situation.

(2) Parking services in residential communities. Fees charged by property management service providers or parking service companies from property owners or residents of residential areas for the management of parking spaces and parking facilities.

According to the Notice of Price Bureau and Housing and Urban Construction Department of Guangdong Province on the Measures of Property Service Fee (《廣東省物價局、廣東省住房和城鄉建設廳關於物業服務收費管理辦法的通知》) (Yue Jia [2010] No. 1), government guidance prices or market-regulated price shall be implemented for charges of property management in light of the nature and characteristics of different properties. The government guidance prices shall be implemented for the charges of property management of a residential property (including self-owned parking space and garages) before the establishment of the owners' congress, and market-regulated prices shall be implemented for the service fee of villas, residential properties (including self-owned parking space and garages) after the establishment of the owners' congress and other non-residential properties.

According to the Notice on Further Standardization on Property Management Services Fees (《關於進一步規範物業服務收費的通知》) (粵發改價格函[2019]2897號) issued by the Development and Reform Commission of Guangdong Province and the Guangdong Provincial Bureau of Housing and Urban-rural Development which has taken effect on August 1, 2019, the property management charging standards for which government guidance prices are carried out will be determined by the property management companies and the property owners through negotiation, and will no longer be required to report to the local Development and Reform Commission for filing.

LEGAL SUPERVISION OVER THE INTERNET INFORMATION SERVICES

Supervision on Internet Information Services

According to the Telecommunications Regulations of the PRC (中華人民共和國電信條例) issued by the State Council on September 25, 2000 and amended on July 29, 2014 and February 6, 2016, respectively, value-added telecommunications services are defined as telecommunications and information services provided through public network infrastructures and are subject to licenses prior to commencement of operations, and according to the Catalog of Telecommunications Business (2015 Edition) (電信業務分類目錄(2015年版)) attached to the Telecommunications Regulations of the PRC, which was last amended by the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) on June 6 2019, value-added telecommunications services are divided into two categories. Category I value-added telecommunications services include internet data center services, content delivery network services, domestic internet protocol virtual private network services and internet access services. Category II value-added telecommunications services include online data processing and transaction processing services, domestic multiparty communication services, store-and-forward-type services, call center services, information services and code and regulation conversion services. Information services refer to the information services provided for users via the public communication network or the internet and by the information collection, development, processing and construction of information platforms. By technical service methods of information organization, transmission, etc., information services are mainly classified into information release platforms and transmission services, information retrieval and inquiry services, information community platform services, instant information interaction services as well as information protection and processing services.

According to the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) (No. 292 Order of the State Council), which was issued by the State Council on September 25, 2000, came into effect on the same day and revised on January 8, 2011, Internet information service refers to the provision of information through Internet to web users, and includes two categories: commercial and non-commercial. Commercial internet information service refers to the service activities of compensated provision to online subscribers through the internet of information or website production. Non-commercial Internet service refers to the provision free of charge of public, commonly shared information through the Internet to web users.

Entities engaged in providing commercial Internet information service shall apply for a license for value-added telecommunication services of Internet information services. As for the operation of noncommercial Internet information services, record-filing is required. Internet information service provider shall provide services within the scope of their licenses or filing. Non-commercial Internet information service providers shall not provide services with charge of payment. In case an Internet information service provider changes its services, website address, etc., it shall apply for approval or file 30 days in advance at the relevant government department.

Where an entity provides commercial Internet information service without a license or provides service beyond the scope of the license, provincial telecommunication administrative department shall order it to make correction within a prescribed time limit. Where there are illegal gains, such gains shall be confiscated; and a fine more than three times but less than five times of such gains shall be imposed. Where there is no illegal gain or the gain is less than RMB50,000, a fine of RMB100,000 to RMB1.0 million shall be imposed. Where the circumstance is serious, the website shall be ordered to shut down. Where an entity provides non-commercial Internet information service without a filing, provincial telecommunication administrative department shall order it to make corrections within a prescribed time limit and to shut down the website if it refused to make corrections.

Supervision on Mobile Internet Application Information Services

According to the Provisions on Administration of Mobile Internet Application Information Services (《移動互聯網應用程序信息服務管理規定》) (promulgated by the Cyberspace Administration of China on June 28, 2016 and came into effect on August 1, 2016), entities providing information services through mobile Internet applications shall obtain relevant qualifications according to law. Mobile Internet application provider shall not use mobile Internet application program to carry out activities prohibited by laws and regulations, such as endangering national security, disturbing public orders, and infringing other's legal rights and interests, or use mobile internet applications to produce, copy, publish and spread illegal information prohibited by laws and regulations.

The Cyberspace Administration of China shall be responsible for the supervision and administration of information on mobile Internet applications. The local cyberspace administrations shall be responsible for the supervision and administration of information on mobile Internet application program within the administrative regions.

LABOR AND SOCIAL INSURANCE-RELATED LAWS AND REGULATIONS

According to the Labor Law of the PRC (《中華人民共和國勞動法》) (Standing Committee of the National People's Congress on July 5, 1994, became effective on January 1, 1995, and amended on August 27, 2009 and December 29, 2018), enterprises and institutions shall establish and improve their system of work place safety and sanitation, strictly abide by State rules and standards on work place safety, educate employee in labor safety and sanitation in the PRC. Labor safety and sanitation facilities shall comply with national standards. The enterprises and institutions shall provide employees with work place safety and sanitation conditions which are in compliance with State stipulations and relevant articles of labor protection.

According to the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (issued by the Standing Committee of the National People's Congress on June 29, 2007, came into effect on January 1, 2008 and revised on December 28, 2012 and came into effect on July 1, 2013), employment contracts shall be concluded in writing if employment relationships are to be or have been established between enterprises or institutions and the employees. Enterprises and institutions are forbidden to force the employees to work beyond the statutory time limit and employers shall pay employees for overtime work in accordance with national regulations. In addition, the wages shall not be lower than local standards on minimum wages and shall be paid to the employees timely. And the Implementation Regulation on Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) (No. 535 Order of the State Council) (promulgated by the State Council on September 18, 2008 and became effect on the same day), regulates both parties through a labor contract, namely the employers and the employees, and contains specific articles involving the terms of the labor contract. Meanwhile, it is stipulated that labor contracts must be concluded in written forms, upon reaching an agreement after due negotiation, an employer and an employee may enter into a fixed-term labor contract, a non-fixed-term labor contract or a labor contract that concludes upon the completion of certain work assignments. After reaching an agreement upon due negotiation with employees or by fulfilling other circumstances in line with legal conditions, an employer may legally terminate a labor contract and dismiss its employees. Labor contracts concluded before the enactment of Labor Contract Law and existing during its effective term shall continue to be honored. With respect to circumstances where an employment relationship has already been established without the conclusion of a written labor contract, the written labor contract shall be concluded within one month from the date when the employee commences work.

According to the Interim Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) ([1999] No. 259 Order of the State Council) (issued by the State Council on January 22, 1999, came into effect on the same day and revised on March 24, 2019), the Regulation on Work Related Injury (《工傷保險條例》) ([2003] No. 375 Order of the State Council) (issued by the State Council on April 27, 2003, came into effect on January 1, 2004 and revised on December 20, 2010, came into effect on January 1, 2011), the Regulations on Unemployment Insurance (《失業保險條例》) ([1999] No. 258 Order of the State Council) (issued by the State Council on January 22, 1999 and came into effect on the same day) and the Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》) ([1994] No. 504 Order of the Ministry of Labor and Social Insurance) (issued by the Ministry of Labor on December 14, 1994 and came into effect on January 1, 1995), enterprises incorporated in the PRC shall provide their employees with benefit programs including basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance. Employers must carry out social insurance registration at the local social insurance agency, provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees. According to the Social Insurance Law of PRC (《中華人民共和國社會保險法》) (Order No. 35 of the President of the PRC) (promulgated by the Standing Committee of the National People's Congress on October 28, 2010 and came into effect on July 1, 2011 and as amended on December 29, 2018), for employers failing to conduct social insurance registration, the administrative department of social insurance shall order them to make corrections within a prescribed time limit; if they fail to do so within the time limit, employers shall have to pay a penalty over one time but no more than three times of the amount of the social insurance premium payable by them, and their executive staffs and other directly responsible persons shall be fined RMB500 to RMB3,000. Where an employer fails to pay social insurance premiums in full or on time, the social insurance premium collection agency shall order it to pay or make up the balance within a prescribed time limit, and shall impose a daily late fee at the rate of 0.05% of the outstanding amount from the due date; if still failing to pay within the time limit prescribed, a fine of one time to three times the amount in default will be imposed on them by the relevant administrative department. Also, it has consolidated pertinent provisions for basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance, and the legal obligations and liabilities of employers who do not comply with relevant laws and provisions on social insurance have been stipulated in detail.

Pursuant to the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》) (Order No. 262 of the State Council) (issued by the State Council on April 3, 1999, became effective on the same day, and was amended on March 24, 2002 and March 24, 2019), the housing provident fund contributions made by an individual employee and housing provident fund contributions made by his or her employer shall be owned by the individual employee. Employers shall timely pay the housing provident fund in full and overdue or insufficient payment shall be prohibited. Employers shall process the housing fund deposit registrations with the housing provident fund administrative center. For enterprises who violate the above laws and regulations and fail to apply for housing provident fund deposit registration or open housing provident fund accounts for their employees, the housing provident fund administrative center shall order the relevant enterprises to make corrections within a designated period. Those enterprises failing to process the deposit registration provident fund accounts for their employees within the designated period shall be subject to a fine ranging from RMB10,000 to RMB50,000. When enterprises violate those provisions and fail to pay the housing provident fund in full amount as due, the housing provident fund administrative center may order such enterprises to pay up the amount within a prescribed period; if those enterprises still fails to comply with the regulations upon the expiration of the above-mentioned time limit, further application may be made to the People's Court for mandatory enforcement.

INTELLECTUAL PROPERTY RIGHTS RELATED LAWS AND REGULATIONS

Patent Law

According to the Patent Law of the PRC (《中華人民共和國專利法》) (Order No. 11 of the President of the PRC) (promulgated by the Standing Committee of the National People's Congress on March 12, 1984, came into effect on April 1, 1985, revised on September 4, 1992, August 25, 2000 and December 27, 2008), the State Intellectual Property Office is responsible for managing patent work of the whole nation. The patent management departments of the people's governments of each province, autonomous region and municipality directly under the central government are responsible for the patent management in their respective administrative regions. Chinese patent system adopts the principle of "prior application", i.e. where two or more applicants file applications for patent for the identical invention or creation respectively, the patent right shall be granted to the applicant whose application was filed first. If one wishes to file application for patent for invention or utility models, the following three standards must be met: novelty, creativity and practicability. The validity period of a patent for invention is 20 years, while the validity period of utility models and design is 10 years. Others may use the patent after obtaining the permit or proper authorization of the patent holder, otherwise such behavior will constitute an infringing act of the patent right.

Trademark Law

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) (Order No. 10 of the Standing Committee of the National People's Congress) (issued by the Standing Committee of the National People's Congress on August 23, 1982, came into effect on March 1, 1983 with latest amended on April 23, 2019, and to be effective on November 1, 2019) and the PRC Trademark Law Implementing Regulations (《中華人民共和國商標法實施條例》) (Order No. 651 of the State Council) (adopted by the State Council on April 29, 2014 and came into effect on May 1, 2014). The trademark bureaus under the State Administration for Market Regulation are responsible for trademark registration and authorizing registered trademarks for a validity period of 10 years. Trademarks may be renewable every ten years where a registered trademark needs to be used after the expiration of its validity period. Trademark registrants may license, authorize others to use their registered trademark by signing up a trademark license contract. The trademark license agreements shall be submitted to the trademark office for recording. For trademarks, trademark law adopts the principle of "prior application" with respect to trademark registration. Where a trademark under registration application is identical with or similar to another trademark that has, in respect of the same or similar commodities or services, been registered or, after preliminary examination and approval, this application for such trademark registration may be rejected. Anyone applying for trademark registration shall not prejudice the existing right first obtained by anyone else, or forestall others in registering a trademark which others have already begun to use and which has "sufficient degree of reputation."

Copyright law

The Copyright Law of the PRC (《中華人民共和國著作權法》) (Order No. 31 of the President of the PRC) (issued by the Standing Committee of the National People's Congress on September 7, 1990, came into effect on June 1, 1991 and revised on October 27, 2001 and February 26, 2010) provides that works of PRC citizens, legal persons or other organizations, which include, works of literature, art, natural sciences, social sciences, engineering technologies and computer software created in writing or oral or other forms, whether published or not, enjoy copyright in their works. Copyright holders may enjoy multiple rights, which include the right of publication, the right of authorship and the right of reproduction.

The Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》) (Order No. 1 of the National Copyright Administration) (promulgated by the National Copyright Administration on February 20, 2002, and came into effect on the same day) regulates the registration of software copyright, the exclusive licensing contracts and transfer contracts of software copyright. The National Copyright Administration of PRC shall be competent authority for the registration and management of national software copyright and the Copyright Protection Center of China is the software registration organization authority. The Copyright Protection Center of China shall grant registration certificates to the computer software copyright applicants which conforms to the regulations of both the Computer Software Copyright Registration Measures and the Regulations on Protection of Computers Software (《計算機軟件保護條例》) (No. 84 Order of the State Council) (issued by the State Council on June 4, 1991, came into effect on October 1, 1991 and revised on December 20, 2001, January 8, 2011 and January 30, 2013).

Provisions of the Supreme People's Court on Certain Issues Concerning the Application of Law in the Trail of Civil Cases Involving Disputes over Infringement of the Right of Dissemination through Information Networks (《最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定》) (No. 20 FS [2012]) (issued by the Supreme People's Court on December 17, 2012 and came into effect on January 1, 2013), provides that web users or web service providers who, through information networks, provide works, performances, or audio-video products in which the right holders enjoy the transmission right of information network without due authorization, they shall be deemed to have infringed upon the transmission right of information network by the people's court.

Domain Names

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) (Order No. 43 of the Ministry of Industry and Information Technology), which was issued by the Ministry of Industry and Information Technology on August 24, 2017 and came into effect on November 1, 2017, the Ministry of Industry and Information Technology shall be responsible for managing Internet network domain names in PRC. The principle of "first-to-file" is adopted for domain name services. The applicant of domain name registration shall provide the agency of domain name registration with the true, accurate and complete information relating to the domain name registration with the true, accurate and complete information relating to the domain name to be applied for, and sign the registration agreements as well. Upon the completion of the registration process, the applicant will become the holder of the relevant domain name.

LEGAL SUPERVISION OVER THE TAX IN THE PRC

Enterprise Income Tax (“EIT”)

In accordance with the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) (the “EIT Law”’) ([2007] No. 63 Order of the President of the PRC) (promulgated on March 16, 2007 and became effective from January 1, 2008 and amended on February 24, 2017 and December 29, 2018) and the Regulation on the Implementation of Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) ([2007] No. 512 Order of the State Council) (promulgated on December 6, 2007 and became effective from January 1, 2008, and amended on April 23, 2019), enterprises are classified as either “resident enterprises” or “non-resident enterprises”. Enterprises that are set up in the PRC under the PRC laws, or that are set up in accordance with the law of the foreign country (region) whose actual administration institution is in PRC, shall be considered as “resident enterprises”. Enterprises established under the law of the foreign country (region) with “de facto management bodies” outside the PRC, but have set up institutions or establishments in PRC or, without institutions or establishments set up in the PRC, have income originating from PRC, shall be considered as “non-resident enterprises”.

A resident enterprise shall pay EIT on its income originating from both inside and outside PRC at an EIT rate of 25%. A non-resident enterprise that has establishments or places of business in the PRC shall pay EIT on its income originating from PRC obtained by such establishments or places of business, and on its income which deriving outside PRC but has actual connection with such establishments or places of business, at the EIT rate of 25%. A non-resident enterprise that does not have an establishment or place of business in the PRC, or it has an establishment or place of business in the PRC but the income has no actual connection with such establishment or place of business, shall pay EIT on its income derived from the PRC at a reduced rate EIT of 20%.

According to the EIT Law and the implementing regulations of the EIT Law, for dividends payable to investors that are non-resident enterprises (who do not have organizations or places of business in the PRC, or that have organizations and places of business in PRC but to whom the relevant income tax is not effectively connected), 10% of the PRC withholding tax shall be paid, unless there are any applicable tax treaties are reached between the jurisdictions of non-resident enterprises and the PRC which may reduce or provide exemption to the relevant tax. Similarly, any gain derived from the transfer of shares by such investor, if such gain is regarded as income derived from sources within the PRC, shall be subject to 10% PRC income tax rate (or a lower tax treaty rate (if applicable)).

The PRC and the government of Hong Kong entered into the Arrangement between the Mainland of the PRC and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得稅避免雙重徵稅和防止偷漏稅的安排》) (the “**Arrangement**”) on August 21, 2006 and implemented the Arrangement from January 1, 2007. According to the Arrangement, the 5% withholding tax rate applies to dividends paid by a PRC company to a

Hong Kong tax resident, provided that such Hong Kong tax resident directly holds at least 25% of the equity interests in the PRC company. The 10% withholding tax rate applies to dividends paid by a PRC company to a Hong Kong tax resident if such Hong Kong tax resident holds less than 25% of the equity interests in the PRC company.

Pursuant to the Circular of the State Administration of Taxation on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (Guo Shui Han [2009] No. 81) (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (國稅函[2009] 81號), which was promulgated by the SAT and became effective on February 20, 2009, all of the following requirements shall be satisfied before a fiscal resident of the other party to a tax agreement can be entitled to such tax agreement treatment as being taxed at a tax rate specified in the tax agreement for the dividends paid to it by a PRC resident company: (i) such a fiscal resident who obtains dividends should be a company as provided in the tax agreement; (ii) the equity interests and voting shares of the PRC resident company directly owned by such a fiscal resident reaches a specified percentage; and (iii) the equity interests of the PRC resident company directly owned by such a fiscal resident, at any time during the twelve months prior to receipt of the dividends, reach a percentage specified in the tax agreement.

According to the Announcement on Several Issues concerning the Enterprise Income Tax on Income from the Indirect Transfer of Assets by Non-Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (SAT Public Notice [2015] No. 7) (promulgated by SAT on February 3, 2015 and came into effect on the same day), where a non-resident enterprise indirectly transfers equities and other assets of a PRC resident enterprise to avoid the EIT payment obligation by making an arrangement with no reasonable business purpose, such indirect transfer shall be redefined and recognized as a direct transfer in accordance with the provisions of the EIT Law. Where the EIT on the income from the indirect transfer of real estate or equities shall be paid in accordance with the provisions of this Announcement, the entity or individual that directly assumes the obligation to make relevant payments to the transfer or according to the provisions of the relevant laws or as agreed upon in the contract shall be the withholding agent.

Value-added Tax

According to Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) (Order No. 134 of the State Council) (promulgated by the State Council on December 13, 1993 with the latest amended version effective from November 19, 2017, and its implementing rules (《中華人民共和國增值稅暫行條例實施細則》) promulgated by Ministry of Finance on December 25, 1993 and revised on December 15, 2008 and October 28, 2011, respectively, tax payers engaging in sale of goods, provision of processing services, repairs and replacement services or importation of goods within the territory of the PRC shall pay value-added tax, or the VAT. Unless stated otherwise, the rate of value-added tax is 17%.

Furthermore, according to the Trial Scheme for the Conversion of Business Tax to Value-added Tax (Caishui [2011] No. 110) (《關於印發<營業稅改徵增值稅試點方案>的通知》), which was promulgated by the Ministry of Finance and the SAT, the State began to launch taxation reforms in a gradual manner with effect from January 1, 2012, whereby the collection of VAT in lieu of business tax items was implemented on a trial basis in regions showing significant radiating effects in economic development and providing outstanding reform examples, beginning with production service industries such as transportation and certain modern service industries.

In accordance with Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (Caishui [2016] No. 36) (《關於全面推開營業稅改徵增值稅試點的通知》), which was promulgated on March 23, 2016 and came into effect on May 1, 2016, upon approval of the State Council, the pilot program of the collection of VAT in lieu of business tax shall be promoted nationwide in a comprehensive manner starting from May 1, 2016, and all business tax payers engaged in the building industry, the real estate industry, the financial industry and the life service industry shall be included in the scope of the pilot program with regard to payment of value-added tax instead of business tax. For general service income, the applicable VAT rate is 6%.

Foreign Exchange Regulations

According to the PRC Foreign Currency Administration Rules (《中華人民共和國外匯管理條例》) (No. 193 Order of the State Council) (promulgated by the State Council on January 29, 1996, came into effect on April 1, 1996 and amended on January 14, 1997 and August 5, 2008), and various regulations issued by the State Administration of Foreign Exchange and other relevant PRC government authorities, foreign currency earnings of domestic entities or individuals can be transferred back to the PRC or deposited overseas and RMB is convertible into other currencies. The conditions and time limit of transferring back to the PRC or deposited overseas shall be specified by the State Administration of Foreign Exchange according to the international receipts and payments status and requirements of Administration of Foreign Exchange, such as the conversion of RMB into other currencies and remittance of the converted foreign currency outside the PRC for the purpose of capital account items, like direct equity investments, loans, requires the prior approval from the State Administration of Foreign Exchange or its local office. Foreign exchange receipts for current account transactions may be retained or sold to financial institutions engaged in the settlement or sale of foreign exchange according to the relevant provisions of the State. Domestic entities or individuals who directly make overseas investment or involve in distribution or trade of foreign securities or derivative products, shall go through the formalities for registration in accordance with the provisions of the foreign exchange administration department of the State Council. If the above entities or individuals shall be subjected to the approved of or record-filing with the competent department in advance as required by the state, they should submit related documents for inspection, approval and record-filing before foreign exchange registration. The exchange rate for RMB follows a managed floating exchange rate system based on market demand and supply.

According to the Regulations on Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) (Yin Fa [1996] No. 210), which was promulgated by the People's Bank of China on June 20, 1996 and became effective on July 1, 1996, foreign exchange receipts under the current account of foreign-invested enterprises may be retained within the fullest extent approved by the Administration of Foreign Exchange and the exceeding part of such amount shall be sold to a designated foreign exchange bank or through a foreign exchange swap center.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《關於改革和規範資本項目結匯管理政策的通知》) (Hui Fa [2016] No. 16) (issued by the State Administration of Foreign Exchange on June 9, 2016 and came into effect on the same day). According to this notice, the settlement of foreign exchange receipts under the capital account (including but not limited to foreign currency capital and foreign debts) may convert from foreign currency into RMB on self-discretionary basis. The RMB funds obtained by a domestic entity from its discretionary settlement of foreign exchange receipts under the capital account shall be included in the account pending for foreign exchange settlement and payment. The Notice No. 16 reiterates the principle that RMB converted from foreign currency capital may not directly or indirectly used for purpose beyond its business scope and investments in securities with the exception of bank financial products that guarantee the relevant PRC regulations. The ratio of the discretionary exchange rate of foreign exchange receipts under domestic capital account is tentatively set at 100%. The State Administration of Foreign Exchange may adjust the above ratio in due time according to the balance of payment status.

INFORMATION SECURITY AND PRIVACY PROTECTION

According to the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》), which was promulgated by SCNPC on November 7, 2016 and came into effect on June 1, 2017, network operators shall comply with laws and regulations and fulfil their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures in accordance with laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities and maintain the integrity, confidentiality and usability of network data. The network operator shall not collect the personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

On December 28, 2012, the SCNPC promulgated the Decision on Strengthening Network Information Protection (《關於加強網絡信息保護的決定》) to enhance the legal protection of information security and privacy on the internet. On July 16, 2013, the Ministry of Industry and Information Technology (the "**MIIT**") promulgated the Provisions on Protection of Personal

Information of Telecommunication and Internet Users (《電信和互聯網用戶個人信息保護規定》), which became effective on September 1, 2013, to regulate the collection and use of personal information of users in the provision of telecommunication service and internet information service in the PRC.

According to the Several Provisions on Regulation of the Order of Internet Information Service Market (《規範互聯網信息服務市場秩序若干規定》), which was promulgated by MIIT on December 29, 2011 and came into effect on March 15, 2012, without the consent of users, Internet information service providers shall not collect information relevant to the users that can lead to the recognition of the identity of the users independently or in combination with other information (the "**personal information of users**"), nor shall they provide personal information of users to others, unless otherwise provided by laws and administrative regulations. The Internet Information Service Market Provisions also require that internet information service providers shall properly preserve the personal information of users.

On May 9, 2017, the Supreme People's Court and the Supreme People's Procuratorate released the Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens' Personal Information (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) (the "**Interpretations**"), effective from June 1, 2017. The Interpretations clarify several concepts regarding the crime of "infringement of citizens' personal information" stipulated by Article 253A of the Criminal Law of the PRC (《中華人民共和國刑法》), including "citizens' personal information", "provision of citizens' personal information" and "illegally obtaining any citizen's personal information by other methods". In addition, the Interpretations specify the standards for determining "serious circumstances" and "particularly serious circumstances" of this crime.

HISTORY AND DEVELOPMENT

History

Our history dates back to 1998, when Guangzhou Times Property Management was established and started providing management services for the properties developed by Times China, one of our then controlling shareholders. Times China, a leading real estate developer in Guangdong province, has maintained extensive cooperation relationship with us and has driven our development since our inception and laid the foundation for our continuous growth. Since our inception, we have been dedicated to providing quality property management service to our customers with a strategic focus on the Greater Bay Area. We launched our first property management project in Guangzhou, Guangdong province in 1998. Over more than 20 years of development, we have established a solid presence in the Greater Bay Area. With our constant efforts to provide quality services, our close and extensive cooperation with Times China, our extensive industry experience as well as our reputation in the Greater Bay area, our ranking moved up to 13th among Top 100 Property Management Companies in 2019 in terms of overall strength according to CIA, which evidenced our established position in the PRC property management market. We were ranked 11th among "Top 100 Property Management Companies in terms of Overall Strength" by China Property Management Institute in 2018.

Our property management business, which includes services such as cleaning, gardening services, security services, repair and maintenance services, has been our main business segment. To complement our property management services, we have endeavored to diversify our services portfolio by providing a wealth of value-added services and other professional services to different clienteles. We believe that the provision of diversified services will improve customers' loyalty, enhance our brand recognition and increase our profitability.

To improve operational efficiency and customer experience, we have redefined the way we offer property management services with the incorporation of Internet technologies. We have built an integrated command platform (全國集成管控平台) with the use of advanced technologies such as Internet of Things, cloud computing and AI computing. Such integrated command platform (全國集成管控平台) is composed of four integration centers and nine modules, which effectively minimized human errors, enhanced service consistency and improved our operational efficiency. To further improve the efficiency of our services and capture the market opportunity of providing Internet-driven property management services, we integrated the online and offline resources in the communities we manage by launching our Neighborhood Services mobile app that provides a variety of community products and services.

Business Development Milestones

The following events set forth the key milestones in the history of our business development:

Year	Events
1998	Guangzhou Times Property Management was established in Guangzhou, Guangdong province and had started to provide property management services to the properties developed by Times China
2007	We started to expand to other cities in Guangdong province and established our branch offices in Foshan and Zhuhai
2009	Times Garden (Guangzhou) which was under our management was awarded as "Guangdong Property Management Demonstration Pilot Residential Community (廣東省物業管理示範住宅小區)" by Guangdong Property Management Industry Institute (廣東省物業管理行業協會)
2010	Times Garden (Guangzhou) which was under our management was awarded as "National Property Management Demonstration Pilot Residential Community (全國物業管理示範住宅小區)" by MOHURD
2011	We started to expand to other areas in the PRC and established our branch office in Changsha, Hunan province
2015	We ranked 38th in the "2015 Top 100 Property Management Companies of China (2015中國物業服務百強企業)" in terms of overall strength by CIA. We were recognized as one of the "2015 China Top 10 Leading Property Management Companies in terms of Service Quality" (2015中國物業服務百強企業服務質量Top 10) by CIA and "2015 Leading Brand For Property Management in China" (2015中國物業服務領先品牌) by CIA
2016	We acquired Guangzhou Wanning and Joan Elevator and started to provide sales and installation services of elevators. We ranked 21st in the "2016 Top 100 Property Management Companies of China (2016中國物業服務百強企業)" in terms of overall strength by China Property Management Institute (中國物業管理協會) and CIA. We were recognized as "2016 China Top 10 Property Management Companies in terms of Service Quality" (2016中國物業服務百強企業服務質量Top 10) by China Property Management Institute (中國物業管理協會) and CIA and "2016 Specialized Operational Leading Brand of China Property Services Companies" (2016中國物業服務專業化運營領先品牌企業) by CIA

Year	Events
2017	We ranked 15th in the "2017 Top 100 Property Management Companies in China (2017中國物業服務百強企業)" in terms of overall strength by CIA. We were recognized as "2017 China Leading Property Management Companies in terms of Service Quality" (2017中國物業服務百強企業服務質量領先企業) by CIA and "2017 Leading Professional Services For Property Management in China" (2017中國物業服務專業化運營領先品牌企業) by China Real Estate Top 10 Research (中國房地產Top 10研究組)
2018	We ranked 11th among the top 100 property management companies of China in terms of overall strength (物業服務企業綜合實力測評 Top 100) by China Property Management Institute (中國物業管理協會). We were recognized as "2018 China Leading Property Management Companies in terms of Service Quality" (2018中國物業服務百強企業服務質量領先企業) by CIA and "2018 Leading Professional Services For Property Management in China" (2018中國物業服務專業化運營領先品牌企業) by China Real Estate Top 10 Research (中國房地產Top 10研究組)
2019	We acquired Guangzhou Dongkang and started to provide municipal sanitation services. We ranked 13th in the "2019 Top 100 Property Management Companies in the PRC (2019中國物業服務百強企業)" in terms of overall strength by CIA. We were recognized as "2019 China Leading Property Management Companies in terms of Service Quality" (2019中國物業服務百強服務質量領先企業) by CIA

OUR PRINCIPAL SUBSIDIARIES

The major corporate developments of our subsidiaries which were material to our performance during the Track Record Period are set out below:

Guangzhou Times Neighborhood

Guangzhou Times Neighborhood (formerly known as Guangzhou Huaya Investment Company Limited (廣州市華亞投資有限公司)) was established in the PRC on August 31, 2009 with an initial registered capital of RMB11,000,000. Upon its establishment, Guangzhou Times Neighborhood was wholly owned by Guangzhou Times Tianyi Consultation Co., Ltd. (廣州市時代天怡諮詢有限公司), an indirect subsidiary of Times China.

Subsequent to several internal equity transfers within Times China Group, immediately prior to the Reorganization, Guangzhou Times Neighborhood has been owned as to 60% by Peace Power and 40% by Guangzhou Times Holdings, both were indirect subsidiaries of Times China. Guangzhou Times Neighborhood is the holding company of our operating subsidiaries.

Guangzhou Times Property Management

Guangzhou Times Property Management was established in the PRC on December 18, 1998 as a limited liability company. Guangzhou Times Property Management has been engaged in the provision of property management services and other related value-added services since its establishment and is the principal operating subsidiary of our Company in the PRC. Upon its establishment, the initial registered capital of Guangzhou Times Property Management was RMB500,000 and was owned as to 60% by Mr. Shum, one of our Controlling Shareholders, 20% by Mr. Guan Jianhui (關建輝) and 20% by Mr. Yao Xusheng (姚旭升). Mr. Guan Jianhui is an executive director of Times China and Mr. Yao Xusheng is our executive Director.

Subsequent to a number of increases in registered capital in August 2000, the registered capital of Guangzhou Times Property Management was enlarged to RMB3,000,000 and in March 2008, it became a wholly-owned subsidiary of Guangzhou Times Corporate Property Investment Co., Ltd. (廣州市時代企業地產投資有限公司) ("**Guangzhou Times Corporate Property Investment**"), an indirect subsidiary of Times China.

On November 30, 2009, Guangzhou Times Corporate Property Investment and Guangzhou Times Neighborhood entered into an equity transfer agreement, pursuant to which Guangzhou Times Corporate Property Investment transferred the entire equity interest in Guangzhou Times Property Management to Guangzhou Times Neighborhood at a consideration of RMB30,500 which was determined with reference to the net asset value of Guangzhou Times Property Management as of October 30, 2009 and was fully settled. Upon completion of such transfer, Guangzhou Times Property Management became wholly owned by Guangzhou Times Neighborhood.

On April 11, 2011, April 8, 2014 and August 8, 2017, the registered capital of Guangzhou Times Property Management was increased to RMB5,500,000, RMB125,500,000 and further increased to RMB500,000,000, respectively.

Guangzhou Wanning

Guangzhou Wanning was established in the PRC on February 28, 1995 with an initial registered capital of RMB500,000. As at the Latest Practicable Date, Guangzhou Wanning had been engaged in the provision of property management services and other related value-added services in Guangzhou and Foshan. Guangzhou Wanning is the holding company of Dongguan Wanning which was engaged in providing property management services and other related value-added services in Dongguan as of the Latest Practicable Date. Upon its establishment, Guangzhou Wanning was owned as to 58% by Ms. Huang Huixia (黃惠霞), 22% by Mr. Huang Hong (黃洪) and 20% by Ms. Yan Xueying (嚴雪英), each an Independent Third Party.

Subsequent to a number of increases in registered capital, on February 5, 2016, Ms. Huang Huixia, Mr. Huang Hong, Ms. Yan Xueying and Guangzhou Times Property Management entered into an equity transfer agreement, pursuant to which Guangzhou Times Property Management acquired the entire equity interest of Guangzhou Wanning from Ms.

Huang Huixia, Mr. Huang Hong and Ms. Yan Xueying at a total consideration of RMB44,000,000. The consideration was determined after arm's length negotiation between the parties and with reference to the net asset value of Guangzhou Wanning as of 31 December 2015 and was fully settled in September 2018. Upon completion of such transfer, Guangzhou Wanning became wholly owned by Guangzhou Times Property Management and the registered capital of Guangzhou Wanning was RMB9,000,000.

Guangzhou Neighborhood Intelligent

Guangzhou Neighborhood Intelligent was established in the PRC by Guangzhou Times Property Management on December 22, 2015 with an initial registered capital of RMB10,000,000. Since its establishment, Guangzhou Neighborhood Intelligent has been engaged in the provision of intelligent engineering services to Times China Group.

On December 10, 2017, the registered capital of Guangzhou Neighborhood Intelligent was increased to RMB100,000,000.

Joan Elevator

Joan Elevator was established in the PRC on December 19, 1996 with an initial registered capital of RMB500,000. Joan Elevator was engaged in the provision of services in relation to sales, installation, repair and maintenance of elevators as of the Latest Practicable Date. Upon its establishment, Joan Elevator was wholly owned by two Independent Third Parties.

Subsequent to a number of increases in registered capital and transfers of equity interest, Joan Elevator was owned as to 70% by Ms. Wu Lanyun (吳蘭雲) and 30% by Mr. Wu Fei (吳飛), each an Independent Third Party, in October 2009 and the registered capital of Joan Elevator was increased to RMB10,000,000. On August 8, 2016, each of Ms. Wu Lanyun and Mr. Wu Fei entered into an equity transfer agreement with Guangzhou Times Property Management, pursuant to which Ms. Wu Lanyun and Mr. Wu Fei agreed to transfer 49% and 21% equity interest of Joan Elevator to Guangzhou Times Property Management at a consideration of RMB18,236,500 and RMB7,815,500, respectively. The consideration was determined after arm's length negotiation between the parties and with reference to net asset value of Joan Elevator as of July 31, 2016. Upon completion of such transfers, Joan Elevator became owned as to 70% by Guangzhou Times Property Management, 21% by Ms. Wu Lanyun and 9% by Mr. Wu Fei.

Guangzhou Times Linlibang

Guangzhou Times Linlibang was established in the PRC on September 2, 2014 with an initial registered capital of RMB10,000,000. Guangzhou Times Linlibang has been engaged in the provision of community value-added services the development of software and mobile application since its establishment.

MAJOR ACQUISITIONS DURING THE TRACK RECORD PERIOD

Acquisition of 70% equity interest in Joan Elevator

On August 9, 2016, Guangzhou Times Property Management acquired 70% equity interest of Joan Elevator from Ms. Wu Lanyun and Mr. Wu Fei at a total consideration of RMB26,052,000. For details, please refer to "—Our Principal Subsidiaries—Joan Elevator" in this section.

Acquisition of the entire equity interest in Guangzhou Dongkang

On February 1, 2019, Guangzhou Times Property Management entered into an equity transfer agreement with Guangzhou Guangyong State-owned Assets Management Co., Ltd. (廣州市廣永國有資產經營有限公司) ("**Guangzhou Guangyong**"), an Independent Third Party, pursuant to which Guangzhou Times Property Management acquired the entire equity interest held by Guangzhou Guangyong in Guangzhou Dongkang at a total consideration of RMB45,270,000, which was determined after arm's length negotiations with reference to the valuation of Guangzhou Dongkang as assessed by an independent valuer. As of the Latest Practicable Date, all the consideration had been settled. Upon completion of such acquisition, Guangzhou Dongkang became wholly owned by Guangzhou Times Property Management. Guangzhou Dongkang was engaged in the provision of municipal sanitation services to corporate and governmental clients and property management services in Guangdong Province, as of the Latest Practicable Date.

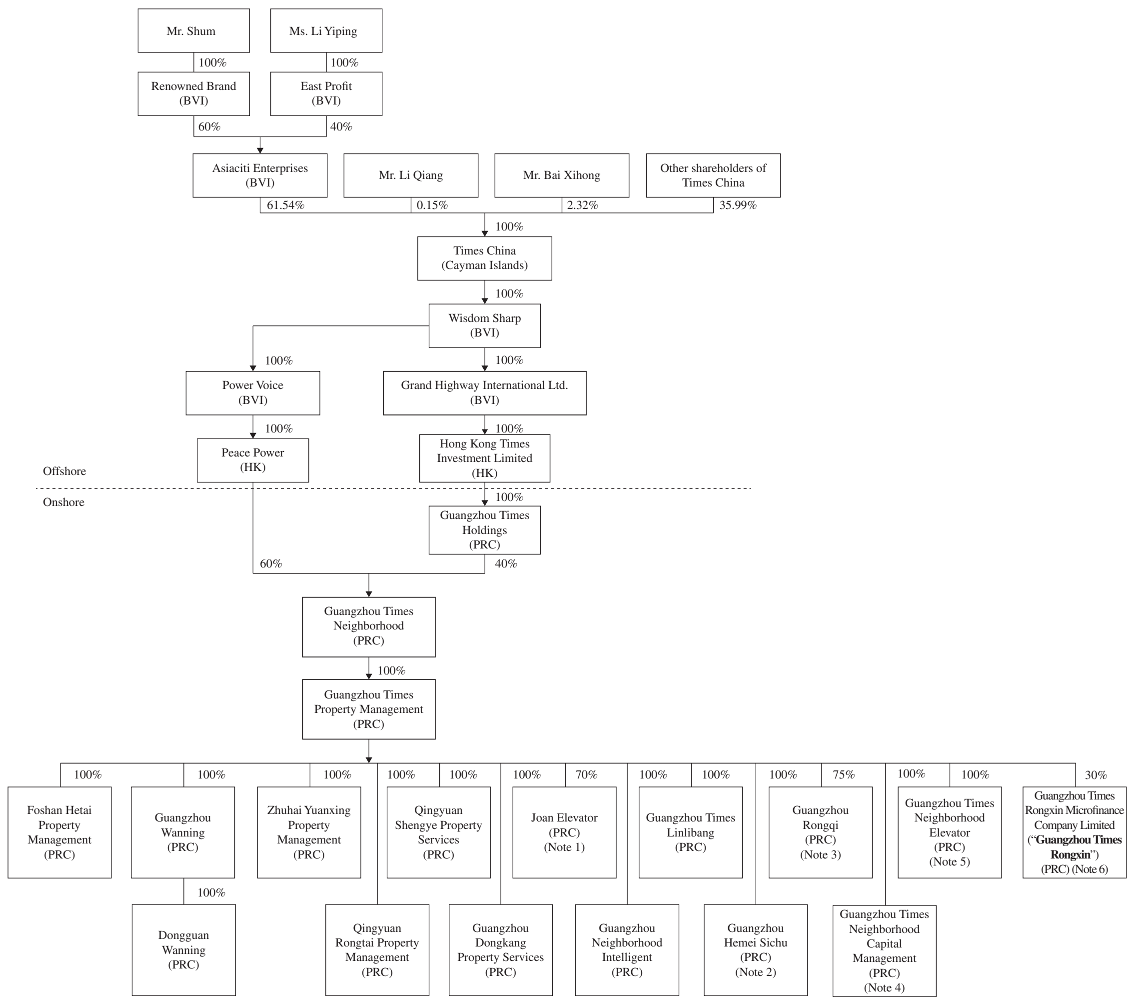
ACQUISITION AFTER THE TRACK RECORD PERIOD

Acquisition of the entire equity interest in Foshan Yixin

In order to expand our business scale in Foshan, on April 29, 2019, Guangzhou Times Property Management entered into an equity transfer agreement with Foshan Guinan Investment Co., Ltd. (佛山市桂南投資有限公司) ("**Foshan Guinan**"), an Independent Third Party, and Foshan Yixin, pursuant to which Guangzhou Times Property Management acquired the entire equity interest held by Foshan Guinan in Foshan Yixin at a maximum consideration of RMB1,849,071.65 which was determined after arm's length negotiations with reference to the GFA under management and net asset value of Foshan Yixin as of 28 February 2019. Registration of the equity transfer with the relevant administration for industry and commerce was completed on June 4, 2019 and as at the Latest Practicable Date, approximately 80% of the consideration had been settled by cash. The remainder of the consideration is expected to be settled by cash by June 2020, subsequent to the fulfillment of certain conditions set out in the equity transfer agreement. The acquisition was completed by end of September 2019 and Foshan Yixin has become a wholly-owned subsidiary of Guangzhou Times Property Management since Foshan Yixin is engaged in the provision of property management services and other related value added services in Foshan.

REORGANIZATION

The following diagram illustrates our shareholding structure before the Reorganization:



Notes:

1. The remaining equity interest is held as to 21% by Ms. Wu Lanyun, an Independent Third Party save for her shareholding in Joan Elevator and 9% by Mr. Wu Fei, an Independent Third Party.

2. Guangzhou Hemei Sichu was deregistered on July 30, 2019 given it had not commenced any business since its establishment.

3. The remaining equity interest is held by an Independent Third Party. Guangzhou Rongqi was deregistered on August 21, 2019 given it had not commenced any business since its establishment.

4. Guangzhou Times Neighborhood Capital Management was deregistered on July 16, 2019 given it had not commenced any business since its establishment.

5. Guangzhou Times Neighborhood Elevator was deregistered on July 12, 2019 given it had not commenced any business since its establishment.

6. The remaining equity interest is held as to 70% by four subsidiaries of Times China.

In preparation for the Listing, the following steps were implemented to establish our Group:

1. Incorporation of our Company

On July 12, 2019, our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability. As of the date of incorporation, the authorized share capital of our Company was HK$380,000 divided into 38,000,000 ordinary shares with a par value of HK$0.01 each, among which one Share was issued to an independent third party at par value and transferred to Wisdom Sharp at par value on the same day.

2. Acquisition of 40% equity interest in Guangzhou Times Neighborhood

On July 31, 2019, Peace Power and Guangzhou Times Holdings entered into an equity transfer agreement, pursuant to which Guangzhou Times Holdings agreed to transfer 40% equity interest in Guangzhou Times Neighborhood at a consideration of RMB30,800,000. Such consideration was determined after arm's length negotiations with reference to the valuation of Guangzhou Times Neighborhood as assessed by an independent valuer. Upon completion of such transfer, Guangzhou Times Neighborhood became wholly owned by Peace Power.

3. Acquisition of Power Voice

On August 2, 2019, our Company acquired 100% of the issued shares of Power Voice from Wisdom Sharp at a consideration of US$1.00, which was satisfied by the allotment and issue of one Share to Wisdom Sharp on August 2, 2019.

4. Deregistration of certain inactive subsidiaries

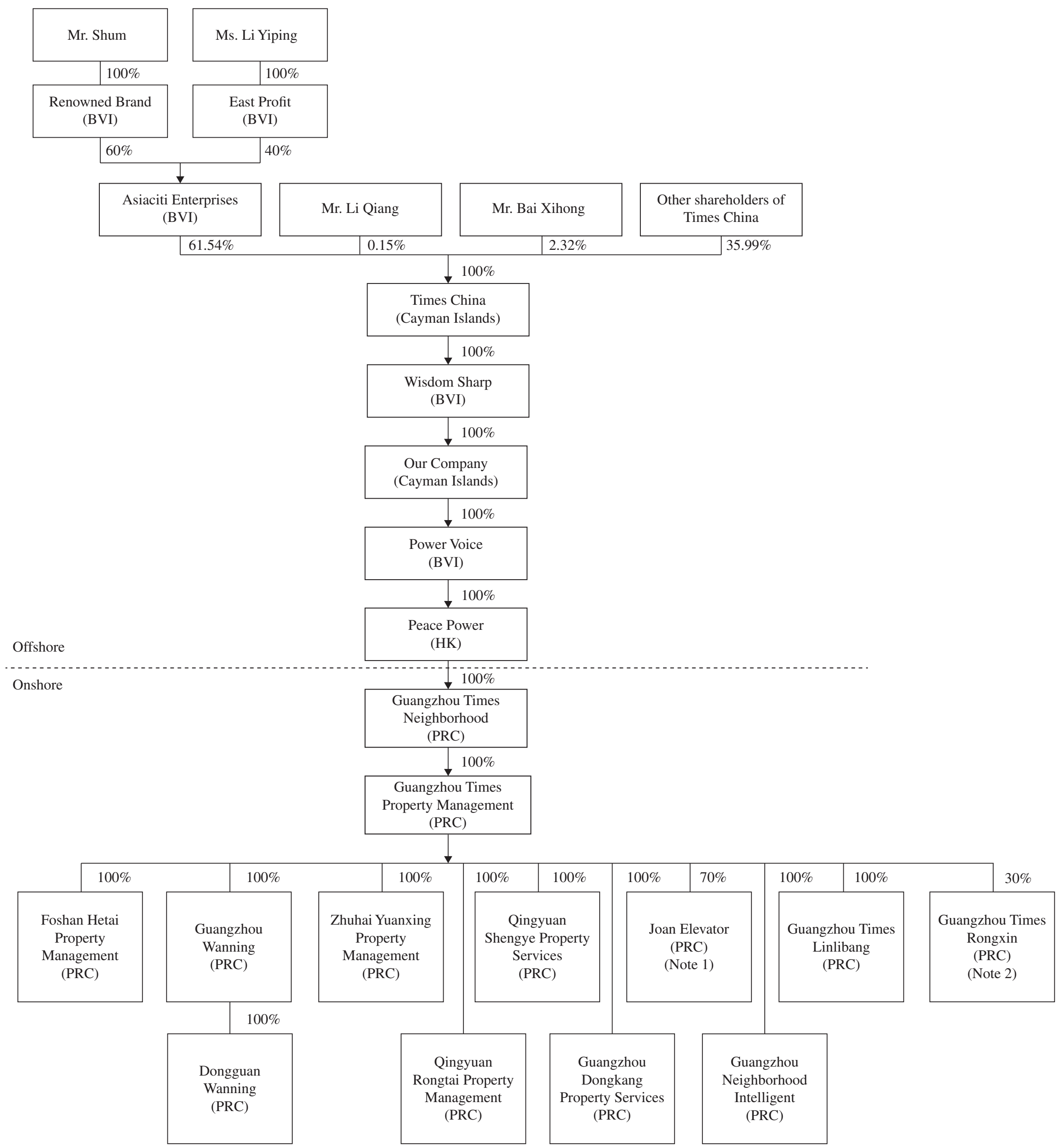
Guangzhou Hemei Sichu, Guangzhou Rongqi, Guangzhou Times Neighborhood Capital Management and Guangzhou Times Neighborhood Elevator were established in the PRC on June 12, 2017, September 23, 2015, November 29, 2017 and May 25, 2016, respectively. Given Guangzhou Hemei Sichu, Guangzhou Rongqi, Guangzhou Times Neighborhood Capital Management and Guangzhou Times Neighborhood Elevator had not commenced any business since their establishment, with a view to streamlining the structure of our Group, they were deregistered on July 30, 2019, August 21, 2019, July 16, 2019 and July 12, 2019, respectively.

Our Directors have confirmed that as of the respective date of deregistration, there were no outstanding claims or liabilities against the aforesaid companies and there were no outstanding claims or liabilities against our Group in connection with the deregistration of these companies.

Our PRC Legal Adviser has confirmed that all necessary relevant approvals and permits in relation to the share transfers and deregistration in respect of the PRC companies in our Group as described above had been obtained and the procedures involved had been carried out in accordance with PRC laws and regulations. Our PRC Legal Adviser has confirmed that the share transfers and the procedures of deregistration in respect of PRC companies have been properly and legally completed.

Our Group's Shareholding Structure after the Reorganization

The following diagram illustrates our shareholding structure after the Reorganization and immediately prior to the Capitalization Issue and the Spin-off:

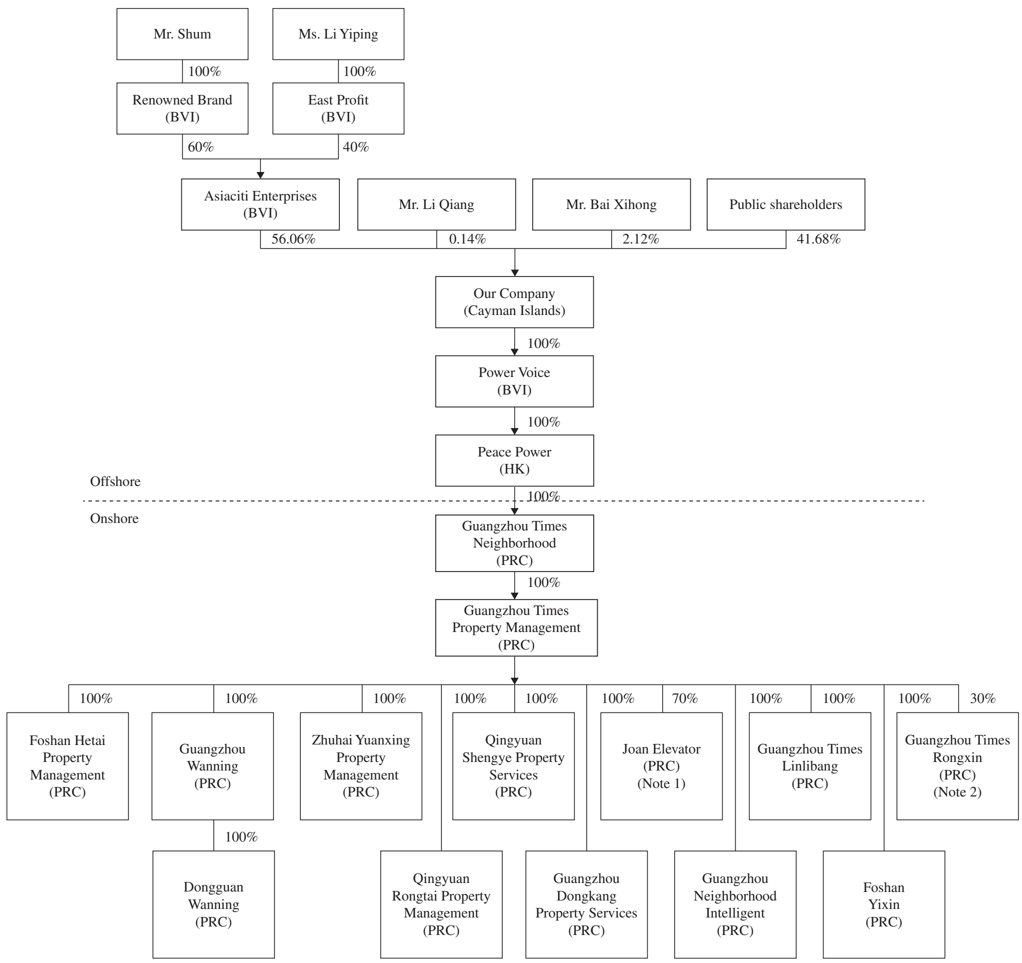


Notes:

1. The remaining equity interest is held as to 21% by Ms. Wu Lanyun, an Independent Third Party save for her shareholding in Joan Elevator and 9% by Mr. Wu Fei, an Independent Third Party.

2. The remaining equity interest is held as to 70% by five subsidiaries of Times China.

The shareholding structure of our Group immediately following the completion of the Reorganization, the Capitalization Issue and the Spin-off (assuming the Reserved Shares under the Preferential Offering are fully taken up by Qualifying Times China Shareholders) is set out as follows:



Notes:

1. The remaining equity interest is held as to 21% by Ms. Wu Lanyun, an Independent Third Party save for her shareholding in Joan Elevator and 9% by Mr. Wu Fei, an Independent Third Party.

2. The remaining equity interest is held as to 70% by five subsidiaries of Times China.

REASONS FOR THE SPIN-OFF

Pursuant to the Listing Rules and in accordance with the corporate structure and ownership of our Company, the Listing of our Company will constitute a spin-off of Times China.

The board of directors of Times China considers that the Spin-off is in the interests of Times China and the shareholders of Times China taken as a whole based on the following reasons:

(a) the Spin-off will enable us to build our identity as a separately listed group, and have a separate fund-raising platform; the Spin-off would allow us to gain direct access to the capital markets for equity and/or debt financing to fund our existing operations and future expansion, thereby accelerating our expansion and improving our operating and financial performance, which will in turn result in better financial return to the shareholders of both Times China Group and our Group;

(b) as a separately listed group, we will be able to build on our reputation further and be in a better position to negotiate and solicit more business, and Times China will in turn be able to benefit from our growth through its shareholding in our Group;

(c) the Spin-off will enable us to enhance our corporate profile, thereby increasing our ability to attract strategic investors, which could provide synergy for us, for investment in and forming strategic partnerships directly with us; and

(d) the Spin-off would enable a more focused development, strategic planning and better allocation of resources for Times China Group and our Group with respect to our respective businesses; both Times China Group and our Group would benefit from the efficient decision-making process under the separate management structure for taking emerging business opportunities, especially with a dedicated management team for our Group to focus on its development.

The Spin-off by Times China complies with the requirements of Practice Note 15 of the Listing Rules.

OVERVIEW

We are one of the leading and fast-growing comprehensive property management service providers in China. In 2019, we were ranked 13th among the Top 100 Property Management Companies in terms of overall strength by CIA. In 2018, we were ranked 11th among the top 100 property management companies of China (物業服務企業綜合實力測評TOP100) in terms of overall strength by China Property Management Institute (中國物業管理協會). We stand out from the competition with our peers by our market tested service quality, brand reputation and diversified service offering. We have been awarded as one of the "Specialized Operational Leading Brand of China Properties Service Companies (中國物業服務專業化運營領先品牌企業)" by CIA for four consecutive years since 2016. As of June 30, 2019, we had 204 property management service projects under management with a total GFA under property management of over 34.7 million sq.m. and six municipal sanitation projects with a total GFA under management of over 8.0 million sq.m. Our property management service projects include projects for property management consisting of residential communities, industrial parks, commercial properties and office buildings, multi-purpose complexes, government buildings, public facilities, airports and educational institutions, located in 15 cities in the PRC. We have experienced rapid growth in recent years. Our net profit grew at a CAGR of 78.8% from 2016 to 2018, making us the fourth among the Top 20 Property Management Companies according to CIA.

We are deeply rooted in the Greater Bay Area, an emerging vibrant world-class city cluster. Benefiting from favorable policies, the economy, in particular the real estate industry, of the Greater Bay Area has demonstrated great development potentials. As of December 31, 2018, out of our 90 projects under management across China, 83 were located in the Greater Bay Area, representing approximately 82.7% of our GFA under management, which percentage was the highest among the Top 20 Property Management Companies in China according to CIA. As of June 30, 2019, out of our 204 property management service projects under management and six municipal sanitation projects across China, 191 were located in the Greater Bay Area, representing approximately 87.7% of our total GFA under management.

Our services are closely tied to people's daily life, and we believe our core value lies in our ability to enable our customers to lead a safe, comfortable, healthy and convenient life. Through over 20 years of unremitting endeavors, we have become a comprehensive property management service provider capable of serving our customers' all-round needs. Our major services currently include:

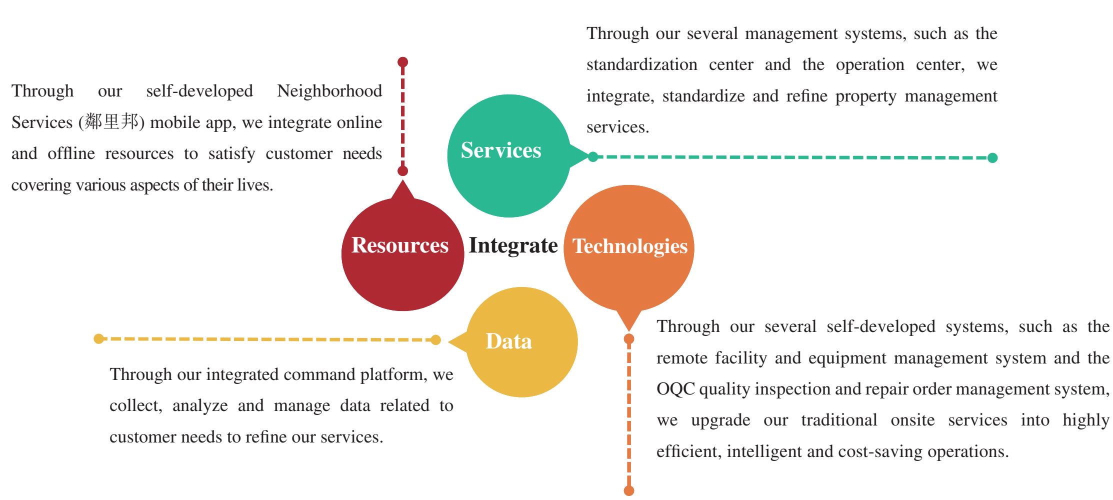
- **Property management services.** We provide property developers, property owners and residents with a variety of property management services, primarily consisting of security, cleaning, gardening and repair and maintenance services. We have developed three service models: (i) the "Tulip" model to provide basic, high quality property management services to take care of property owners' and residents' daily needs, (ii) the "Sunflower" model to provide high quality "one-stop shop" butler services to property owners and residents round-the-clock, and (iii) the "Golden Lily" model to offer tailor-made services to high-end customers according to their needs and preferences. During the Track Record Period, we charged property management fees for all the properties under property management on a lump sum basis.

- **Value-added services to non-property owners.** We offer a broad range of property related business solutions to non-property owners, primarily property developers, which cover their entire property development process, consisting of (i) construction site services, including consultancy and security services, (ii) sales assistance services, which assist property developers in showcasing and marketing their properties, including pre-sale consultation, display unit management, organizing sales campaigns as well as visitor reception for property development projects, and (iii) pre-delivery cleaning services, including unit cleaning before delivery.

- **Community value-added services.** We provide customers, primarily property owners and residents, with a wide spectrum of community value-added services, including (i) public space leasing and parking space management; and (ii) resident services, which focus on the daily needs of property owners and residents, such as featured butler services, community shopping, community news and notifications, bill payment services, repair and maintenance of home appliances and event organization services. We provide these services either through our butlers' daily interactions with our customers offline or through our online service platform Neighborhood Services (鄰里邦) mobile app.

- **Other professional services.** Our other professional services, which differentiate us from our competitors, primarily consist of (i) elevator services, including sale, installation, repair and maintenance of elevators, (ii) intelligent engineering services, including intelligent communities, software development, management of hardware installation and certain maintenance services, and (iii) municipal sanitation services, including urban and rural road cleaning and waste management.

We have established an "Integrated Property Management Ecosphere (融物業生態圈)," a comprehensive platform where we and our customers can interact to improve our performance and better satisfy our customers' needs. Our "Integrated Property Management Ecosphere (融物業生態圈)" is illustrated in the chart below:



We achieved strong financial performance during the Track Record Period. Our revenue increased at a CAGR of 36.6% from RMB372.9 million for the year ended December 31, 2016 to RMB695.8 million for the year ended December 31, 2018 and increased by 48.1% from RMB307.6 million in the six months ended June 30, 2018 to RMB455.7 million in the six months ended June 30, 2019. Our net profit increased at a CAGR of 78.8% from RMB20.1 million for the year ended December 31, 2016 to RMB64.2 million for the year ended December 31, 2018 and increased by 50.7% from RMB27.8 million in the six months ended June 30, 2018 to RMB41.8 million in the six months ended June 30, 2019.

COMPETITIVE STRENGTHS

We believe our excellent financial performance, rapid growth and superior market reputation are attributable to the following competitive advantages.

A Leading Property Management Service Provider in China Deeply Rooted in the Greater Bay Area with Visible Growth Potential

We have been one of the Top 100 Property Management Companies in terms of overall strength ranked by CIA for five consecutive years since 2015. With our quality services and extensive industry experience, our ranking moved up from 38th in 2015 to 13th in 2019. In 2018, we were ranked 11th among the top 100 property management companies of China (物業服務企業綜合實力測評TOP100) by China Property Management Institute (中國物業管理協會) in terms of overall strength, which evidenced our position as a leading player in the PRC property management market. Our GFA under property management (excluding municipal sanitation services) increased by 84.6% from 18.8 million sq.m. as of December 31, 2018 to 34.7 million sq.m. as of June 30, 2019, and our contracted GFA increased by 62.5% from 27.7 million sq.m. as of December 31, 2018 to 45.0 million sq.m. as of June 30, 2019.

Since our first property management project in Guangzhou, Guangdong province in 1998, the Greater Bay Area, one of the most economically developed and fastest-growing regions in China, has always been our strategic development focus. On February 18, 2019, the State Council issued the Outline Development Plan for the Guangdong-Hong Kong-Macau Greater Bay Area (《粵港澳大灣區發展規劃綱要》), which sets out the blueprint of a vibrant world-class city cluster. Benefiting from favorable policies, the economy, in particular the real estate industry, of the Greater Bay Area has demonstrated great development potentials. Through over 20 years of dedicated development, we have established a solid presence in the Greater Bay Area. As of December 31, 2018, out of our 90 projects under management across China, 83 were located in the Greater Bay Area, representing approximately 82.7% of our GFA under property management, which percentage was the highest among the Top 20 Property Management Companies in China according to CIA. As of June 30, 2019, out of our 204 property management service projects under management and six municipal sanitation projects across China, 191 were located in the Greater Bay Area, representing approximately 87.7% of our total GFA under management. In 2016, 2017, 2018 and the six months ended June 30, 2019, our revenue derived from the Greater Bay Area accounted for approximately 92.6%, 91.2%, 88.9% and 87.6%, respectively, of our total revenue for the same periods.

Over the years, we have accumulated extensive experience in property management, and developed an in-depth understanding of the needs of our customers. Such experience and understanding have created a virtuous cycle where our customers are served better, our brand name spreads wider and our business grows faster. We strive to "impress customers with quality and warm customers with services (質量讓客戶驚喜，服務讓客戶感動)." We have received numerous awards in recognition of our quality, reputable and diversified services. For example, we have been awarded as one of the "Top 100 China Leading Property Management Companies in terms of Service Quality (中國物業服務百強服務質量領先企業)" by CIA for five consecutive years since 2015, and one of the "China Leading Property Management Companies in terms of Characteristic Services (中國特色物業服務領先企業)" by CIA for two consecutive years since 2018. As of June 30, 2019, 18 communities under our management were honored as "the model residential communities" by the China Property Management Institute and its local branches, and eight communities under our management were named "five-star service communities" by CIA. Guangzhou Times Property Management is the vice president enterprise of the Property Management Industry Association of Guangdong Province and Guangzhou City (廣東省及廣州市物業管理行業協會副會長單位), and has obtained the first-class property management qualification certificate, the highest level certification in China's property management industry. According to CIA, our net profit grew at a CAGR of 78.8% from 2016 to 2018, ranking fourth among the Top 20 Property Management Companies.

We operate our business under an "asset-light" model, which generates stable cash flow and predictable growth. The "asset-light" model allows us to grow rapidly and respond to market developments quickly. We believe, with our scale and market presence, we are well positioned to leverage our leadership position to capture future growth opportunities in the property management industry in the Greater Bay Area.

Support from Times China Group and Strong Business Development Capability Enhancing Our Competitiveness and Fueling Further Expansion

Our close and extensive cooperation with Times China Group, a leading real estate developer in the Greater Bay Area listed on the Hong Kong Stock Exchange, has driven our development since our inception and laid the foundation for our continuous growth. According to CIA, Times China Group was ranked 34th among the Top 100 PRC Property Developers in terms of overall strength in 2019. According to the interim results announcement of Times China Group for the six months ended June 30, 2019, Times China Group had total land reserve of approximately 23.1 million sq.m. as of June 30, 2019, 62.6% of which was located in the Greater Bay Area. Furthermore, Times China Group had 85 urban redevelopment projects as of June 30, 2019. The strong support from Times China Group on property pipeline has laid a concrete foundation for our sustainable development. As of June 30, 2019, we managed 53 properties developed by Times China Group with an aggregate GFA of 15.3 million sq.m., accounting for 44.1% of our total GFA under property management, and we had undelivered GFA developed by Times China Group of 6.5 million sq.m., which were expected to be delivered for our management in the next two years. We believe the quality of our services tallies with the high requirements of Times China Group. During the Track Record Period, our bid win rate with respect to properties developed by Times China Group was 100%, and our business scaled up in concert with the expansion of Times China Group. During the Track Record Period, we managed all of the properties developed by Times China Group.

The high-quality property management services we deliver to our customers, our in-depth knowledge and understanding of their needs and preference and the diversified service portfolio we offer have earned us reputation in the market we operate and more importantly, have helped us win property management service contracts from third-party property developers. Through our stringent quality standards, we are able to meet Times China Group's and other property developers' expectations with our value-added services to non-property owners (including construction site services, sales assistance services and pre-delivery cleaning services) and other professional services (including intelligent engineering and elevator installation and maintenance services). With our diversified and customized service, we are able to continue to obtain new service contracts from Times China Group. Leveraging our incremental experience and brand awareness, we are able to obtain engagements from more third-party property developers and manage an increasing proportion of non-residential properties. Moreover, in March 2019, we acquired Guangzhou Dongkang, a reputable property management and municipal sanitation service provider in Guangdong province, which added GFA under property management of 13.4 million sq.m. to our portfolio, being the major contributor to the significant increase in our total GFA under property management (excluding municipal sanitation services) to 34.7 million sq.m. as of June 30, 2019, from 18.8 million sq.m. as of December 31, 2018. As of June 30, 2019, we had 151 projects under property management that were developed by third-party property developers, an increase of 235.6% from December 31, 2018, and the total GFA under property management of properties developed by third-party property developers was 19.4 million sq.m. as of June 30, 2019, an increase of 259.3% from December 31, 2018. In 2016, 2017 and 2018, our revenue from property management service generated from properties developed by third-party property developers was RMB41.6 million, RMB75.6 million, and RMB108.4 million respectively, representing a CAGR of 61.4%. Our revenue for property management services generated from properties developed by third-party property developers increased by 92.4% to RMB103.9 million for the six months ended June 30, 2019 from RMB54.0 million for the same period in 2018. During the Track Record Period, we increased our portfolio of properties developed by third-party property developers through (i) acquisition of third-party companies with quality property management projects, or (ii) participation in bidding for more projects.

By capturing the business expansion opportunities and the support from Times China Group, we have achieved fast business expansion and earned a market-trusted brand. We have been awarded as one of the "Specialized Operational Leading Brand of China Properties Service Companies (中國物業服務專業化運營領先品牌企業)" by CIA for four consecutive years since 2016. On June 25, 2019, we were listed on the "2019 Blue Chip Property Management Enterprise in China (2019年中國藍籌物業企業)" by the Economic Observer (《經濟觀察報》) and the Economic Observer Research Institute (經濟觀察報研究院), in recognition of our performance and development potential.

A Diversified Service Portfolio Catering to Various Types of Properties and Customers and Creating Diversified Revenue Streams

We have endeavored to diversify our property management portfolio by extending our services to not only residential properties, such as high-end apartments, villas and communities, but also non-residential properties, such as office buildings, commercial properties, industrial parks, multi-purpose complexes, government buildings, public facilities, an airport and educational institutions. As of June 30, 2019, non-residential properties accounted for 51.0% and 62.6% of the total number of properties and GFA under property management, respectively.

We endeavor to refine our service offering to better manage each type of properties and serve customers' multifarious needs. In addition to high-quality traditional property management services, we provide a wealth of value-added services and other professional services to different clienteles. For property developers, our services cover their entire property development process. Before the commencement of construction, we provide consultancy services. During the course of construction, we provide construction site management and consultancy services. Upon the commencement of pre-sale, we offer sales assistance services, which assist property developers in showcasing and marketing their properties, including pre-sale consultation, display unit management, organizing sales campaigns as well as visitor reception for property development projects. Upon the completion of major construction work, we offer elevator installation services and intelligent engineering services to build intelligent communities. Upon completion of development, we provide pre-delivery cleaning services. On an ongoing basis, we provide property management and elevator maintenance services. For property owners and residents, we are on standby round-the-clock and strive to make their lives safer, healthier, more comfortable and more convenient. Our community value-added services include public space leasing and parking space management and resident services, including featured butler services, community shopping, community news and notifications, bill payment services, home maintenance and event organization services, either through our butlers' daily interactions with our customers offline or through our online service platform Neighborhood Services mobile app.

To further diversify our services, we strategically developed our other professional services in elevator installation and maintenance, intelligent engineering and municipal sanitation, which have differentiated us from other industry peers, enabled us to diversify revenue streams and broadened our customer bases. We are qualified to provide elevator services including sales, installation, repair and maintenance of elevators, under the Installation Alteration Repair and Maintenance License of Special Equipment (特種設備安裝改造修理許可證). We cooperate with a number of elevator manufacturers. For example, we are a special sales agent for Shanghai Mitsubishi Elevator Co., Ltd. In the provision of intelligent engineering services, we act as a hardware integrator and software developer. We are able to offer packaged intelligent community solutions to our customers including software development, management of hardware installation and certain maintenance services, which in turn helps improve our service quality and customer satisfaction. We have A-level qualification for the sanitation industry (環衛行業經營服務企業資質等級證書A級) and permission to provide urban garbage cleaning, collection and transportation services (城市生活垃圾經營性清掃、收集、運輸服務許可證), etc. Since March 2019, we have provided road cleaning, garbage collection and garbage transportation services to municipal sanitation projects including public roads, garbage stations and parks. Our subsidiary Guangzhou Dongkang is the president enterprise of the Guangzhou Municipal Sanitation Association (廣州環衛行業協會會長單位) and has participated in the formulation of a number of property management service standards of Guangdong province and Guangzhou city. It is also a pilot enterprise of advanced standards of the modern service industry of China and Guangdong province.

We believe that the provision of diversified operating services will improve customers' loyalty, increase our brand recognition and enhance our financial performance. In 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019, our revenue from diversified services (consists of value added services to non-property owners, community value-added services and other professional services) was RMB151.1 million, RMB188.5 million, RMB291.7 million, RMB113.0 million and RMB159.9 million, respectively, accounting for 40.5%, 36.3%, 41.9%, 36.7% and 35.1%, respectively, of our total revenue.

Rich Experience in Property Management and Quality Service Winning High Customer Satisfaction Rate

We have more than 20 years of experience in property management. Through our unremitting efforts, we have established a premium brand image in the property management industry and we believe "Times Neighborhood (時代鄰里)" has become synonymous with high-quality property management. We have developed three service models of property management to provide tailor-made service solutions to customers, including:

- the "Tulip" model: to take care of our property owners' and residents' daily needs to provide basic, high quality property management services, such as security, cleaning, gardening and repair and maintenance of public facilities and common areas;

- the "Sunflower" model: to provide high quality "one-stop shop" butler services to property owners and residents round-the-clock. We designate regional butlers, who address customers' demands and communicate with customers through an exclusive service hotline available round-the-clock. Through the Sunflower model, we aim to build harmonious communities with a variety of value-added services; and

- the "Golden Lily" model: a service model designed for the high-end projects, providing customized services addressing a wide spectrum of their needs. Our staff are ready to go the extra mile to provide assistance to customers beyond what is normally expected. Through the customer database established with the first-hand information collected by our on-site service team, we provide tailor-made services according to customer needs and preferences, including organizing customized private events, fitness and leisure activities and housekeeping services covering a wide spectrum of their needs for clothing, food, housing and travel. Through the Golden Lily model, we aim to provide customers with premium quality and superior experience.

We strive to "impress customers with quality and warm customers with services". We believe that quality control is crucial to the long-term success of our business. We have obtained certifications from the International Organization for Standardization, namely, the ISO9001 quality management system certification, the ISO14001 environmental management system certification, the OHSAS18001 and GB/T28001 occupational health and safety management system certification and the ISO/IEC27001 information security management system certification. These certifications are a testament for our service quality. As of June 30, 2019, we had a quality control team of 60 people who are primarily responsible for overseeing all aspects of our business operations to ensure that services are rendered in line with our high standard and in a consistent manner. In addition, we conduct regular and random inspections of services to ensure compliance with our quality standards. Moreover, our customer service center and Neighborhood Services (鄰里邦) one-stop service platform provide real-time assistance to our customers. Customers can access our service hotline and Neighborhood Services mobile app round-the-clock. We train our customer service representatives to answer customer inquiries timely, proactively educate customers about our services and promptly resolve customer complaints.

As a result of our quality services, market reputation and diversified service offering, we have received numerous industrial accolades and recognition. We have been honored as one of the "Top 100 China Leading Property Management Companies in terms of Service Quality (中國物業服務百強服務質量領先企業)" by CIA for five consecutive years since 2015. A number of properties under our management have received awards in recognition of our service quality. For instance, Guangzhou Times Garden (廣州時代花園) and Qingyuan Times Allure Park (清遠時代傾城頤景園) were rated as five-star communities by CIA. Moreover, our dedicated services provide customers with premium experience and win a high satisfaction rate. According to FG Consulting, our customer satisfaction rate from 2016 to 2018 was ranked at an excellent level. We believe our emphasis on customer service enhances our brand image and customer loyalty.

Standardized and Intelligent Operations and Advanced IT System Realizing Operational Efficiency and Customer Experience Improvement

We have applied a number of advanced technologies, such as Internet of Things, cloud computing and AI computing, to our intelligent management and control platform. By continuously upgrading and optimizing our integrated command platform (全國集成管控平台), we have standardized and intelligentialized our operation, flattened our management structure and improved operational efficiency. The integrated command platform (全國集成管控平台) is composed of four centers (including the standardization center (標準化中心), the data center (數據中心), the operation center (運營中心) and the command center (指揮中心)) and nine modules (including the OQC quality inspection and repair order management systems (OQC質量及工單管理系統), remote facility and equipment management system (遠程設施設備管理系統), customer service management system (客戶服務管理系統), remote video control system (遠程視頻管理系統), finance and budget control system (財務及預算管控系統), Neighborhood Services operation management system (鄰里邦運營管理系統), intelligent parking cloud (智慧

雲車場), intelligent access control system (智能門禁管控系統) and human resources management system (人事組織管理系統)). See "—Technology" in this section. By constantly upgrading the platform, we are able to further improve our management efficiency and service quality. For example:

- Through the OQC quality inspection and order management systems (OQC質量及工單管理), we have solidified our service management standards, standardized our staff management actions, reduced human errors to a minimum, and ensured the consistency of services. At the same time, we are able to receive feedback of on-site problems and property owners' demands through the OQC quality inspection system and automatically assign them to the on-site employees. Meanwhile, we pay attention to reduce the intermediate manual steps between "discovering problems" and "solving problems," so as to ensure the timeliness and quality of the on-site employees' handling of problems and demands. The flattening of management structure brings more effective management, more efficient service delivery, higher service quality and higher customer satisfaction.

- Through the remote facility and equipment management system (遠程設施設備管理系統), we realize real-time monitoring of various parameters of facilities and equipment and alarming of abnormal data indicators. By replacing manual patrol inspection and timely responding to facility and equipment failures, we are able to achieve smooth and orderly operations and improve the quality of our services.

- Through the intelligent parking cloud (智慧雲車場), we provide online payment and non-inductive payment options, which effectively reduces our labor costs and risks associated with handling cash. We believe that such modern management technologies can improve the quality of our services and effectively reduce costs; and

- Through the customer service management system (客戶服務管理), which consists of the butler management system (大管家管理系統) and the Neighborhood Services mobile app, we collect and analyze customer information to understand customer needs and demands, so as to better deliver services. The customer service management system greatly improves the efficiency of information flow between customers and us, and makes the whole decision-making and supervision processes more efficient and effective, which in turn enhances customer satisfaction.

We are committed to using modern technology and intelligent terminal equipment to automize our operation, which could reduce human errors to a minimum, ensure consistent service procedures and standards, reduce our reliance on manual labor, improve service quality and reduce relevant costs.

Seasoned and Innovative Management Team, Competitive Workforce and Well-developed HR System Supporting Our Sustainable Growth

We believe our success and future prospects have been, and will continue to be, dependent on the quality of our people. Our senior management team has extensive experience in the management of medium- to large-scale enterprises and has been in the property management industry for over 10 years on average. Moreover, our senior management team is energetic, open-minded and innovative, and stays abreast of advanced management concepts and technologies. We believe our experienced and innovative management team has contributed to our success and will further enhance our execution capabilities.

We have cultivated a corporate culture that is widely recognized and embraced by our employees and customers. We strive to "let more people enjoy a better life (讓更多人享受美好生活)" and adhere to the philosophy of "care for your life (用心呵護你一生)." We value "integrity, efficiency, transformation and innovation" and are committed to creating a performance-oriented and innovation-encouraging corporate culture, where our employees are inspired to provide quality services to property owners and residents.

We believe that talent is our core competitiveness for sustainable development and have established an effective human resources management system to attract, retain and cultivate outstanding talent. We rely on external recruitment to expand the candidate pool, attract talent with diverse backgrounds and cultivate future leaders. We also recruit outstanding graduates through the "New Neighborhood Elites (鄰里新菁英)" campus recruitment program and school-enterprise alliance (校企聯盟). Our headquarters design and implement long-term career development plans for such graduates.

To support the rapid development of our business and optimize our management, we focus on continuously upskilling our employees. We provided internal training via the Times Neighborhood College (時代鄰里學院) to cultivate professional property management talent and reserve management talent and improve their generic skills, professional skills and job skills. As of June 30, 2019, the Times Neighborhood College had established nine large-scale functional training bases, cultivated over 600 full-time internal training lecturers, independently developed over 600 professional training courseware, trained nearly 10,000 students and over 4,000 reserve management talents. Moreover, our online app Times College (時代學堂) also provides training courses to our employees, such as courses to improve management skills, communication skills and problem solving skills.

Through a sound employee welfare system, a competitive salary structure and performance incentive system, we attract outstanding external talent to join our Group. We believe that our strong management team and sound human resources management system will enable us to retain sufficient competent employees to provide quality services, enhance our market position and maintain our competitiveness.

BUSINESS STRATEGIES

Expand Business Scale and Market Share, and Continuously Solidify Our Industry Leading Position

We plan to continue to solidify our leading position in the Greater Bay Area and vigorously increase our market share and improve our brand image in this region. We believe the Greater Bay Area has unparalleled growth potential and expect the value of properties in this region to appreciate in the future. We also believe the needs of residents in the Greater Bay Area for higher living standards will boost the market demand for value-added services and customized services like those provided by us. Our Group has over 20 years of business relationship with Times China Group. Given the long history of business relationship and our 20 years of industry experience, extensive knowledge and market reputation in the property management industry, we and Times China Group have developed a well-established mutual understanding in our collaborations. During the Track Record Period, our bid win rates for properties developed by Times China Group were 100%. In addition to the property management services, we also provided the value-added services to non-property owners, community value added services and other professional services to Times China Group during the Track Record Period, which has further strengthened our cooperation relationship with Times China Group.

According to CIA, the nature of the business relationship between our Group and Times China Group is common among 2018 Top 100 Property Management Companies. According to CIA, among the Top 100 Property Management Companies in 2018, approximately 76.0% of them were with property development background, and among those property management companies with property development backgrounds, their GFA under management from their affiliated property developers ranged from 9.9% to 100% with an average of 54.8% of their total GFA under management. As such, we aim to continue to cooperate closely with Times China Group. We believe Times China Group's further expansion can provide us with abundant project reserves, in consideration of our long-term cooperation relationship with Times China Group, our ability to provide not only quality and diversified property management services, value added services and other professional services, but also the fact that we share the similar philosophy in providing products and services to customers with Times China Group so that we are able to better understand and fulfill their needs and requirements.

We plan to expand beyond the Greater Bay Area into other first-tier, new first-tier and second-tier cities, emerging economically developed cities and cities with high growth potential, large populations and high level of consumption in China. We plan to select target cities based on a number of factors, including city size, population, per capita disposable income, competition in the local property market and average level of property management fee. We also plan to follow Times China Group's expansion footprint, which has expanded to markets in East China and Southwest China as of June 30, 2019. Specifically, we plan to further expand to East China (including Shanghai, Nanjing and Hangzhou), Southwest China (including Chengdu, Chongqing) and Central China (including Wuhan), where the average levels of property management fees are relatively high. We have rich experience in geographic expansion. During the Track Record Period, we expanded to Zhanjiang, Tangshan and Qinzhou through the acquisitions of Guangzhou Dongkang and further expanded to Qingyuan, Chenzhou and Changsha through the cooperation with Times China Group and other third-party property developers. Leveraging our cooperation relationship with Times China Group, which has property development projects in those selected cities across China and given fragmentation in the property management industry in China today with approximately 120,000 property management service providers in 2018 providing lots of acquisition opportunities, together with our expertise in providing quality and diversified services, we believe we are well poised to benefit from industry growth and consolidation opportunities, further capitalizing on our scale, brand equity and our core strengths as detailed in "—Competitive Strengths" above. Once we expend into a new geographic market, we may consider to engage local suppliers and subcontractors or employ local personnel who are more familiar with local property management service industry to facilitate our operation in new geographic market.

We also plan to establish extensive strategic cooperation with third-party property developers. We believe that our service quality, brand recognition and customer satisfaction make us an attractive candidate for third-party property developers, especially small- to medium-sized developers that either do not have property management businesses or whose property management subsidiaries are not able to provide quality services as expected by their target customers. According to CIA, some of the Top 100 Property Management Companies in 2018 have established strategic cooperation with the third-party property developers and there is an increasing number of property developers seek opportunities to cooperate with property management service companies which can provide quality services. We believe such trend provides us abundant opportunities to establish strategic cooperation with these property developers. When selecting cooperation partners, the key criteria for our assessment include (i) small- to medium-sized property developers with a good reputation in the local market and growth potential; (ii) an aggregate land reserve of at least one million sq.m.; (iii) mainly operating in the regions where we operate or plan to expand to in the future; (iv) positioned at the mid- to high-end property market, with an average property management fee equal to or higher than the market average; and (v) no material non-compliance or legal risks in the past few years. In 2020, we plan to establish strategic cooperation with one or more third-party property developers. As of the Latest Practicable Date, we started preliminary negotiation with three third-party property developers to establish strategic cooperation. We had not anchored any cooperation partners or established strategic cooperative relationships with any third-party property developers. We plan to use our internal funds for the establishment of strategic cooperation with third-party property developers, the primary costs associated with which are marketing and traveling expenses.

In addition, we aim to enrich our product lines and project portfolio, such as government projects, public facilities, industrial parks and educational institutions. In this way, we believe we can further diversify our property management portfolio and sources of revenue and achieve sustainable growth.

From time to time, the PRC Government adjusts or introduces macroeconomic control policies to encourage or restrict property development in the private property sector through regulating land grants, pre-sale of properties, bank financing and taxation, among other means. In particular, the PRC Government has in the past introduced various restrictive measures to discourage speculation in the real estate market. See "Risk Factors—Risks Relating to our Business and Industry—We are affected by the PRC government regulations on the PRC real estate industry" in this prospectus. However, we believe the associated impacts on our operational and financial performance and our expansion plans are limited, in consideration of: (i) while the incremental property market might be affected or restricted by unfavorable policies, there are great market opportunities for our expansion in the existing property management services market as property owners and residents pursue premium services and better living experience; (ii) in addition to residential properties, we place an increasingly focus on non-residential properties, such as commercial properties, government projects, public facilities, industry parks, educational institutions, museums and airports, which are much less affected by restricted real estate policies, if at all. During the Track Record Period, the percentage of GFA under management from non-residential properties increased from 43.7% in 2016 to 62.6% as of June 30, 2019; (iii) we have established a "1+11" professional business development team, composed of a business development team at the headquarters and 11 regional business development teams, which effectively help us expand into new markets and obtain new projects. For more details on our business development teams, please refer to "Future Plans and Use of Proceeds—Plans for Strategic Acquisitions and Investments;" (iv) we believe urban redevelopment, which enjoys favorable policies, brings us further opportunities for growth; As of the Latest Practicable Date, we entered into a total of 19 contracts to provide property management and value added services for urban redevelopment projects. For more details, see "Summary—Recent Development" in this prospectus; (v) as the property management industry is highly fragmented according to CIA, there are abundant opportunities for us to obtain projects through acquisitions as well as strategic cooperation with other property management service companies; For more details on our acquisition and investment plan, please refer to "Future Plans and Use of Proceeds—Plans for Strategic Acquisitions and Investments;" and (vi) as we place more and more focus on diversifying our services, our future growth will depend more on our ability to promote our value-added services and other professional services, which are less susceptible to reverse cycles of the real estate market.

Continue to Leverage Our Proven Management System to Achieve Rapid Business Growth through Strategic Acquisitions and Investments

We plan to continue to actively seek expansion through acquisition of and investment in small- and medium-sized property management companies. We plan to target (i) local companies focusing on residential properties that have good market presence, growth potential and profitability; (ii) companies with a focus on non-residential properties that complement our existing property portfolio; (iii) companies providing property management and related services, such as security, cleaning, gardening and maintenance services, and community value-added services; and (iv) companies providing other professional services, including four companies providing elevator services and one company providing municipal sanitation services. For acquisitions of property management service companies, the key criteria for our assessment of potential targets include (i) having an aggregate GFA under property management of at least one million sq.m., with an average property management fee equal to or higher than the market average and equipment of good conditions; (ii) having a net profit margin of more than 5% in the most recent fiscal year; (iii) having no material non-compliance and legal risks in the past few years; and (iv) having a good reputation in the local market and growth potential. For acquisitions of companies providing property management related services (such as security, cleaning, gardening and maintenance services), the key criteria for our assessment of potential targets include (i) providing services in multiple cities with a sizable scale; (ii) generating revenue of more than RMB20 million and net profit of more than RMB1 million in the most recent fiscal year; and (iii) no material litigations in the past few years. For acquisitions of companies providing other professional services (including elevator services and municipal sanitation services), the key criteria for our assessment of potential targets include (i) obtaining relevant license and permits in force to conduct elevator services or municipal sanitation services; (ii) no material litigations in past few years; (iii) generating revenue of more than RMB10 million for companies providing elevator services and revenue of more than RMB60 million for companies providing municipal sanitation services in the most recent fiscal year; and (iv) preferably a top 10 company in the local market. In addition to the above, we may also take into account regional market share, customer satisfaction, staff competence and local labor costs when assessing the target companies.

According to CIA, the property management industry in China today is highly fragmented and ripe for consolidation. During the Track Record Period, we acquired Joan Elevator, Guangzhou Wanning and Guangzhou Dongkang, and have completed successful integration. Leveraging our proven track record of historical successful strategic acquisitions, industry consolidation trend and our established market position and extensive industrial experience, we will continue to implement our acquisition strategies.

We plan to use approximately 65% of the net proceeds from the Global Offering in acquisitions and strategic investments. See the section entitled "Future Plans and Use of Proceeds" in this prospectus.

Further Optimize Our Business Model and Control Costs through Digitalized Management Systems and Automated Operations

We plan to further improve our service quality and operational efficiency by developing and upgrading our technologies and intelligent operations:

- We plan to further invest in the development and upgrade of our internal management systems. We plan to upgrade the integrated command platform (全國集成管控平台) to strategically and continuously improve our standardization, centralization, digitization and automation level in our operations. We will continue to optimize and upgrade the internal resource planning system, automated office system, financial system, human resource system and contract management system. We also plan to build a big data platform. We plan to collect and analyze (i) data of our customers such as real estate right certificates, identity information, contact details and etc.: we will collect data through front-end equipment such as facial recognition access control system, license plate recognition system and video surveillance system, and upload such data to the server. We will select and analyze useful data to construct customer behaviors and understand customer needs; For more information about our data collection, usage and retention, please see "—Technology—Data" in this section and (ii) data of the properties under management: we will collect data through the Internet of Things technology, mobile communication technology and sensor technology, including various kinds of data of our equipment and systems. We will analyze the historical data and grasp the functioning status and parameters of each device to improve our operational efficiency. We will optimize our Microsoft Power BI (鄰里駕駛艙) KPI control system (designed for senior management to oversee our operations and make management decisions), city map system (presenting information about the property management market of the cities where we operate and those we consider expanding into), and investment management system. The optimization of these internal management systems enables us to achieve intelligent and efficient decision-making and improves our internal management efficiency and service quality.

- We are committed to providing property owners and residents with more convenient and reliable services using modern technologies. By iteratively upgrading our intelligent systems such as our intelligent butler (智慧大管家) which enables our butlers to access customer data and process customer feedback, intelligent security cloud (智慧雲安防), intelligent parking cloud (智慧雲車場) and intelligent access control cloud (智慧雲門禁), we will improve our operational efficiency and service quality. The plan is to optimize the value-added service system platform to facilitate interaction between customers and our employees and to integrate quality resources to better serve customers and enhance profit growth.

We will continue to invest in Internet of Things, cloud computing and AI technologies. We expect these technologies to bring new management and service models to our business, which will eventually improve our profitability. The application of such technologies also flattens our management structure and improves operational efficiency. Moreover, we collect customer data upon obtaining customers' consent which will be analyzed in our decision-making process. We store and manage the customer data that we access collect through theses technologies pursuant to relevant PRC laws and regulations. See "—Technology—Data" in this section. For instance, our remote video monitoring system can efficiently use the AI computing technology to identify various management scenarios and automatically report unusual incidents or events to our employees or sub-contractors, enabling them to react in a timely manner. Through these technologies, we integrate our offline and online services, improve our management efficiency and eventually reduce our labor cost.

We plan to use approximately 15% of the net proceeds from the Global Offering in our digitalized management systems and automated operations. See the section entitled "Future Plans and Use of Proceeds" in this prospectus.

Continue to Provide Diversified and Differentiated Value-added Services to Enhance Customer Experience and Satisfaction

We plan to continue to upgrade the Neighborhood Services mobile app and provide more diversified community value-added services. We plan to cooperate with third-party suppliers who provide services in the fields of housekeeping, tourism, house rental, wealth management, house decoration, among others. We have formulated various business plans, and are in the process of looking for, evaluating and screening qualified suppliers. We had preliminary negotiations with certain suppliers, but had not entered into any contracts with suppliers as of the Latest Practicable Date. We also plan to expand the product offering in our community shopping services. We plan to display such services and products on our Neighborhood Services mobile app. In the future, we may also provide community value-added services in the space of health, education, travel, wealth management and financial advisory.

We will also actively expand our offering of value-added services to non-property owners. We plan to continue to provide more early-stage services to property developers (such as consulting services and home inspection services), real estate agency for second-hand properties and property rental assistance, to deepen our cooperative relations with property developers.

We plan to use approximately 10% of the net proceeds from the Global Offering to develop our Neighborhood Services mobile app. See the section entitled "Future Plans and Use of Proceeds" in this prospectus.

Focus on Developing Our Other Professional Services

According to CIA, the elevator market is expected to grow substantially in line with continuous urbanization and aging of population. We plan to further develop our elevator services (including sales, installation, repair and maintenance of elevators), and enter into agency contracts with more renowned elevator brands. We plan to acquire more qualified elevator service providers to quickly expand our market share. Moreover, we will continue to cooperate with Times China Group, and provide elevator services (including sales, installation, repair and maintenance of elevators) to more properties it develops. We also plan to enter the intelligent elevator service market, engage in elevator control system services and integrate traditional elevator services with advanced technologies such as cloud computing and Internet, sensors, big data analysis and digitalized management system, in order to accurately grasp the functioning status and key performance indicators of elevators in real time, and provide technical support for the refinement and preventive maintenance of elevator equipment.

We believe the development and popularity of technologies, such as the Internet of Things, bring us more business opportunities. Through our years of experience in software development and hardware integration, we have accumulated extensive experience in intelligent engineering business. Leveraging our experience and expertise, we plan to actively seek cooperation opportunities with governments, property developers and property management companies to further expand our intelligent engineering services. We plan to introduce more new products and services, develop our private-label intelligent products, such as intelligent car park system and intelligent home devices, and provide one-stop intelligent community solutions. We plan to set up a sales and business development team to conduct online and offline marketing and promotions.

We plan to focus on the sanitation and environmental protection industries, solidify our market position in the Greater Bay Area and expand across the country with technologies and service quality. According to Chinese Academy of Environmental Planning (中國環保部環境規劃院), the size of the sanitation market is expected to exceed RMB400 billion in 2028, and the environmental protection industry will be an important pillar for economic growth. According to the same source, China's aggregate environmental protection investment is expected to reach RMB17 trillion during the "13th Five-Year Plan," or from 2016 to 2020 and the environmental protection industry will be an important driver for economic growth. We plan to deploy advanced sanitation equipment to gradually replace manpower to improve efficiency, and enhance service quality with the application of information technology. We plan to apply our experience in providing property management services to our municipal sanitation business. At the same time, we plan to acquire municipal sanitation companies with good qualifications and extensive experience to accelerate our expansion. Moreover, we plan to establish a subsidiary to engage in environmental assessment, earth restoration and waste disposal businesses etc., capitalizing on Times China Group's support in terms of brand value, market recognition and project pipeline.

Continue to Attract, Cultivate and Retain Talent to Support Business Growth

We firmly believe that our success for the past 20 years is, to a large extent, attributable to the implementation of our core values and our focus on workforce team building. In order to achieve continued success, we intend to further invest in talent recruitment and cultivation by taking the following measures:

- We will attract talent and improve workforce related competitiveness. We intend to hire more young talent and people with more advanced degrees. We plan to continue to recruit talent through our "New Neighborhood Elites (鄰里新菁英)" and "school-enterprise alliance (校企聯盟)" programs, and establish a healthily structured workforce.

- We will further enhance and improve our training system, and make better use of our Times Neighborhood College (時代鄰里學院). We plan to further optimize the online training programs through in-depth cooperation with universities and keep upgrading our online training app "Times Institute (時代學堂)," providing employees with comprehensive training support. Moreover, we plan to provide employees with external training and continuing education opportunities to broaden their horizons, retain core employees and cultivate more future leaders.

- We plan to establish a benefit sharing mechanism, where employees will share profits and risks with us. We intend to motivate our employees to become part of our Company to improve their work enthusiasm, loyalty and job satisfaction.

OUR BUSINESS MODEL

During the Track Record Period, we generated revenue primarily from four business lines.

Property Management Services

We provide property developers, property owners and residents with a wide range of property management services, primarily including security, cleaning, gardening and repair and maintenance services. Our portfolio of managed properties comprises residential properties and non-residential properties including industrial parks, commercial properties, office buildings, multi-purpose complexes, government buildings and public facilities, airports and educational institutions. We provide three types of property management services including (i) the "Tulip" model to provide basic, high quality property management services to take care of property owners' and residents' daily needs, (ii) the "Sunflower" model to provide high quality "one-stop shop" butler services to property owners and residents round-the-clock, and (iii) the "Golden Lily" model to offer tailor-made services to high-end customers according to their needs and preferences. During the Track Record Period, we charged property management fees for all the properties under property management on a lump sum basis.

When we are engaged on a lump sum basis, we are entitled to retain the full amount of property management fees we receive as revenue. Out of such fees, we pay out our expenses associated with providing property management services, which we recognize as our cost of sales. If the amount of property management fees we collect is insufficient to cover all the expenses incurred, we are not entitled to request the property owners to pay for the shortfall.

Value-Added Services to Non-property Owners

We offer a broad spectrum of property related business solutions to non-property owners, primarily property developers. Our value-added services to non-property owners primarily consist of (i) construction site services, including consultancy and security services, (ii) sales assistance services, which assist property developers in showcasing and marketing their properties, including pre-sale consultation, display unit management, organizing sales campaigns as well as visitor reception for property development projects, (iii) pre-delivery cleaning services, including unit cleaning before delivery.

Community Value-added Services

Our community value-added services aim to improve our property owners' quality of life by providing them with access to a wide range of services. We divide these services into two categories: (i) public space leasing and parking space management; and (ii) resident services, which focus on the daily needs of property owners and residents, and are provided during the course of providing our property management services. Our main resident services include featured butler services, community shopping, community news and notifications, bill payment services, repair and maintenance of home appliances and event organization services. We provide these services either through our butlers' daily interactions with our customers offline or through our online service platform Neighborhood Services (鄰里邦).

Other Professional Services

Our other professional services primarily include (i) elevator services, including sale, installation, repair and maintenance of elevators, (ii) intelligent engineering services, including the development and management of intelligent communities, software development, management of hardware installation and certain maintenance services, and (iii) municipal sanitation services, including urban and rural road cleaning and waste management.

The table below sets forth the breakdown of our total revenue by business line for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	221,821	59.5	330,533	63.7	404,071	58.1	194,585	63.3	295,828	64.9
Value-added services provided to non-property owners	104,190	27.9	100,379	19.3	196,689	28.3	70,316	22.9	116,985	25.7
Community value-added services	39,750	10.7	62,234	12.0	58,985	8.5	27,847	9.1	31,566	6.9
Other professional services	7,114	1.9	25,849	5.0	36,007	5.1	14,862	4.7	11,340	2.5
Total	**372,875**	**100.0**	**518,995**	**100.0**	**695,752**	**100.0**	**307,610**	**100.0**	**455,719**	**100.0**

PROPERTY MANAGEMENT SERVICES

Overview

We have contracted to manage substantially all of the properties (including all of the residential properties) developed by Times China Group since 1998. We started managing properties developed by third-party property developers since 2013. As of December 31, 2016, 2017 and 2018 and June 30, 2019, our total GFA under property management (excluding municipal sanitation services) was approximately 13.1 million sq.m., 16.0 million sq.m., 18.8 million sq.m. and 34.7 million sq.m., respectively. Revenue generated from property management services amounted to RMB221.8 million, RMB330.5 million, RMB404.1 million, RMB194.6 million and RMB295.8 million, respectively, in 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019, representing 59.5%, 63.7%, 58.1%, 63.3% and 64.9%, respectively, of our total revenue during the same periods.

Scope of Services

We focus on providing property management services such as security, cleaning, gardening and repair and maintenance services to property owners and residents and property developers. The property management services we provide can be grouped into the following categories:

- ***Cleaning services.*** With a goal to create a clean and tidy living environment for our residents, we provide cleaning, garbage collection and pest control services to public area through standardized cleaning procedures with advanced cleaning tools. We use automated cleaning tools to improve the professionalism of our cleaning service and pay extra attention to the etiquette and efficiency of cleaning staff. We provide cleaning services primarily through third-party sub-contractors, and, to a lesser extent, through our subsidiaries.

- ***Gardening services***. We provide general gardening services to the properties we manage. We primarily delegate gardening services to third-party sub-contractors.

- ***Security services***. We aim to provide high quality security services to ensure that the properties we manage are well guarded. We seek to enhance the quality of our security services through equipment upgrades. Daily security services we provide include patrolling, electronic access control, video surveillance, carpark security, visitor management and emergency response. We provide security services through our subsidiaries.

- ***Repair and maintenance services***. We are generally responsible for the maintenance of the power supply and distribution systems, water supply and drainage systems, EBA systems (設備管理智能補助系統), fire extinguishing systems, HVAC systems (暖通系統), elevators, buildings and ancillary facilities and equipment. We delegate maintenance services of fire extinguishing system to third-party sub-contractors and provide other services through our subsidiaries.

- ***Vacant property management:*** We provide vacant property management service for property developers, primarily including security, checking electrical appliances, checking property condition, spare key custody, mail pickup and forwarding, utility bill payment and cleaning services.

While providing our property management services, we keep and update records in relation to property owners and residents, as well as respond to complaints about and feedbacks to our services. See "—Quality Control—Feedback and Complaint Management" in this section.

Property Management Service Models

We provide property management services under three models, namely:

- ***the "Tulip" model:*** to provide basic, high quality property management services, such as security, cleaning, gardening and repair and maintenance of public facilities and common areas to take care of property owners' and residents' daily needs;

- ***the "Sunflower" model:*** to provide high quality "one-stop shop" butler services to property owners and residents round the-clock. We designate regional butlers, who address customers' demands and communicate with customers through an exclusive service hotline available 24 hours a day. Through the "Sunflower" model, we aim to build harmonious communities with a variety of value-added services; and

- ***the "Golden Lily" model:*** a service model designed for the high-end projects providing customized services addressing a wide spectrum of their needs. Our staff are ready to go the extra mile to provide assistance to customers beyond what is normally expected. Through the customer database established with the first-hand information collected by our on-site service team, we provide tailor-made services according to customer needs and preferences, including organizing customized private events, fitness and leisure activities and housekeeping services. Through the "Golden Lily" model, we aim to provide customers with premium quality and superior experience.

These three models are distinguished by property management fees charged by us, allocation of personnel, service standards and ancillary facilities. The table below sets forth the different services we offer to customers of different levels.

	Tulip Services	Sunflower Services	Golden Lily Services
• Private event organization, such as birthday parties			✓
• Customized furniture maintenance services			✓
• Third-party customer satisfaction survey		✓	✓
• All-weather butler services		✓	✓
• Regular convenience services, such as air-conditioner cleaning, barber etc.		✓	✓
• Waste cleaning services	✓	✓	✓
• Utility fee collection services	✓	✓	✓
• Community cultural activities	✓	✓	✓

Note:

(1) Among the services we offered, we prepay utility bills for our property owners and residents on a free of charge basis, pest control and organize community activities and customized events for our property owners and residents while providing maintenance and repair and housekeeping for our property owners and residents as a source of our revenue.

The table below sets forth a breakdown of the number of properties under management with the respective GFA under management as of the dates, and revenue from property management services by service model for the periods indicated:

	As of or for the year ended December 31,												As of or for the six months ended June 30,							
	2016				2017				2018				2018				2019			
	Number of properties	GFA *(sq.m.)*	Revenue *(RMB)*	*(%)*	Number of properties	GFA *(sq.m.)*	Revenue *(RMB)*	*(%)*	Number of properties	GFA *(sq.m.)*	Revenue *(RMB)*	*(%)*	Number of properties	GFA *(sq.m.)*	Revenue *(RMB)*	*(%)*	Number of properties	GFA *(sq.m.)*	Revenue *(RMB)*	*(%)*
	(in thousands, except percentages)																			
"Tulip" model	30	3,059	41,634	18.8	38	4,084	75,581	22.9	44	4,701	105,631	26.1	41	4,084	53,117	27.3	150	18,687	102,250	34.6
"Sunflower" model	35	9,699	171,512	77.3	42	11,654	243,383	73.6	45	13,761	289,326	71.6	45	13,108	136,852	70.3	51	15,228	183,396	62.0
"Golden Lily" model	1	308	8,675	3.9	1	308	11,569	3.5	1	308	9,114	2.3	1	308	4,616	2.4	3	763	10,182	3.4
Total	**66**	**13,066**	**221,821**	**100.0**	**81**	**16,046**	**330,533**	**100.0**	**90**	**18,770**	**404,071**	**100.0**	**87**	**17,500**	**194,585**	**100.0**	**204**	**34,678**	**295,828**	**100.0**

GFA under Property Management

We managed substantially all of the properties (including all of the residential properties) developed by Times China Group during the Track Record Period. Our total GFA under property management (excluding municipal sanitation services) was approximately 13.1 million sq.m., 16.0 million sq.m., 18.8 million sq.m. and 34.7 million sq.m. as of December 31, 2016, 2017 and 2018 and June 30, 2019, respectively, of which approximately 10.0 million sq.m., 12.0 million sq.m., 13.4 million sq.m. and 15.3 million sq.m. were developed by Times China Group, respectively.

The table below sets forth a breakdown of our total GFA under property management as of the dates, revenue from property management services by property developer and the average property management fee per sq.m. per month by property developer for the periods indicated:

	As of or for the year ended December 31,												As of or for the six months ended June 30,							
	2016				2017				2018				2018				2019			
	GFA	Revenue		Average Property Management Fee	GFA	Revenue		Average Property Management Fee	GFA	Revenue		Average Property Management Fee	GFA	Revenue		Average Property Management Fee	GFA	Revenue		Average Property Management Fee
	(sq.m.)	*(RMB)*	*(%)*	*(RMB)*	*(sq.m.)*	*(RMB)*	*(%)*	*(RMB)*	*(sq.m.)*	*(RMB)*	*(%)*	*(RMB)*	*(sq.m.)*	*(RMB)*	*(%)*	*(RMB)*	*(sq.m.)*	*(RMB)*	*(%)*	*(RMB)*
	(in thousands, except for average property management fees and percentages)																			
Times China Group[(1)]	10,007	180,186	81.2	2.95	11,962	254,952	77.1	2.98	13,356	295,634	73.2	3.05	12,704	140,598	72.3	3.03	15,279	191,969	64.9	3.13
Third-party property developers[(2)]																				
Properties solely developed by third-party property developers	3,059	41,635	18.8	2.25	4,084	75,581	22.9	2.20	4,702	105,631	26.1	2.13	4,084	52,781	27.1	2.16	18,687	102,250	34.6	3.72
Properties jointly developed by Times China Group and other property developers	–	–	–	–	–	–	–	–	712	2,806	0.7	1.72	712	1,206	0.6	1.72	712	1,609	0.5	1.72
Subtotal	3,059	41,635	18.8	2.25	4,084	75,581	22.9	2.20	5,414	108,437	26.8	2.12	4,796	53,987	27.7	2.14	19,399	103,859	35.1	3.69
Total/Overall	**13,066**	**221,821**	**100.0**	**2.69**	**16,046**	**330,533**	**100.0**	**2.67**	**18,770**	**404,071**	**100.0**	**2.68**	**17,500**	**194,585**	**100.0**	**2.68**	**34,678**	**295,828**	**100.0**	**3.48**

Notes:

(1) Includes properties solely developed by Times China Group and properties that Times China Group jointly developed with other property developers for which properties Times China Group held a controlling interest in 2016, 2017 and 2018 and the six months ended June 30, 2019, revenue we generated from Times China Group in relation to management of such properties amounted to RMB13.4 million, RMB14.3 million, RMB19.2 million and RMB19.4 million, respectively. During the same period, revenue we generated from property owners and residents in relation to management of such properties amounted to RMB166.8 million, RMB240.7 million, RMB276.4 million and RMB172.6 million, respectively.

(2) Includes properties solely developed by third-party property developers independent from Times China Group, as well as properties jointly developed by Times China Group and other property developers for which Times China Group did not hold a controlling interest. Properties developed by third-party property developers also include government-owned buildings and other public properties, which are constructed by third-party construction companies.

In 2016, 2017 and 2018, the average management fees per sq.m. per month for properties developed by Times China Group were higher than that of properties developed by third-party property developers, primarily because a significant portion of properties (mainly residential properties) developed by third-party property developers were "old communities," the property management fees of which were relatively lower than that of residential properties newly developed by Times China Group. In the six months ended June 30, 2019, there was a significant increase in the average management fees per sq.m. per month for properties solely developed by third-party property developers, primarily attributable to an increased portion of non-residential properties as a result of our acquisition of Dongkang in March 2019, which generally commanded higher average management fees than that of properties developed by Times China Group which primarily comprised residential properties. In 2018 and in the six months ended June 30, 2019, our properties jointly developed by Times China Group and other property developer were located in third-tier cities. The property management fees for such properties were much lower than that for properties developed by Times China Group and solely developed by third-party property developers, some of which are located in first- and second-tier cities.

The percentage of total GFA under property management for properties developed by third-party property developers grew from 23.4% as of December 31, 2016 to 55.9% as of June 30, 2019. The revenue generated from managing properties developed by third-party property developers increased from RMB41.6 million in the year ended December 31, 2016 to RMB108.4 million in the year ended December 31, 2018, representing a CAGR of 61.4%. The revenue generated from managing properties developed by third-party property developers increased by 92.4% from RMB54.0 million for the six months ended June 30, 2018 to RMB103.9 million for the six months ended June 30, 2019. Such growth represents our continuous efforts to expand the coverage of our property management services and increase the types of property services to cover, among others, more properties developed by third-party property developers.

Movements in contracted GFA and GFA under property management

We have been rapidly expanding our property management services portfolio during the Track Record Period primarily by obtaining new property management service contracts. Going forward, we intend to increase our business scale and market share and diversify our business scope through organic growth and by pursuing strategic acquisition and investment opportunities. See "—Business Strategies—Expand business scale and market share, and continuously solidify our industry leading position" in this section. The table below indicates the movement of our contracted GFA and GFA under property management during the Track Record Period:

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	Contracted GFA	GFA under property management	Contracted GFA	GFA under property management	Contracted GFA	GFA under property management	Contracted GFA	GFA under property management	Contracted GFA	GFA under property management
	(sq.m.'000)									
As of the beginning of the period	8,858	7,753	15,277	13,066	19,821	16,046	19,821	16,046	27,707	18,770
New engagements[1]	4,293	3,187	4,301	2,737	8,006	2,844	3,139	1,454	3,578	2,205
Acquisitions[2]	2,126	2,126	243	243	–	–	–	–	13,760	13,760
Terminations[3]	–	–	–	–	(120)	(120)	–	–	(57)	(57)
As of the end of the period	**15,277**	**13,066**	**19,821**	**16,046**	**27,707**	**18,770**	**22,960**	**17,500**	**44,988**	**34,678**

Notes:

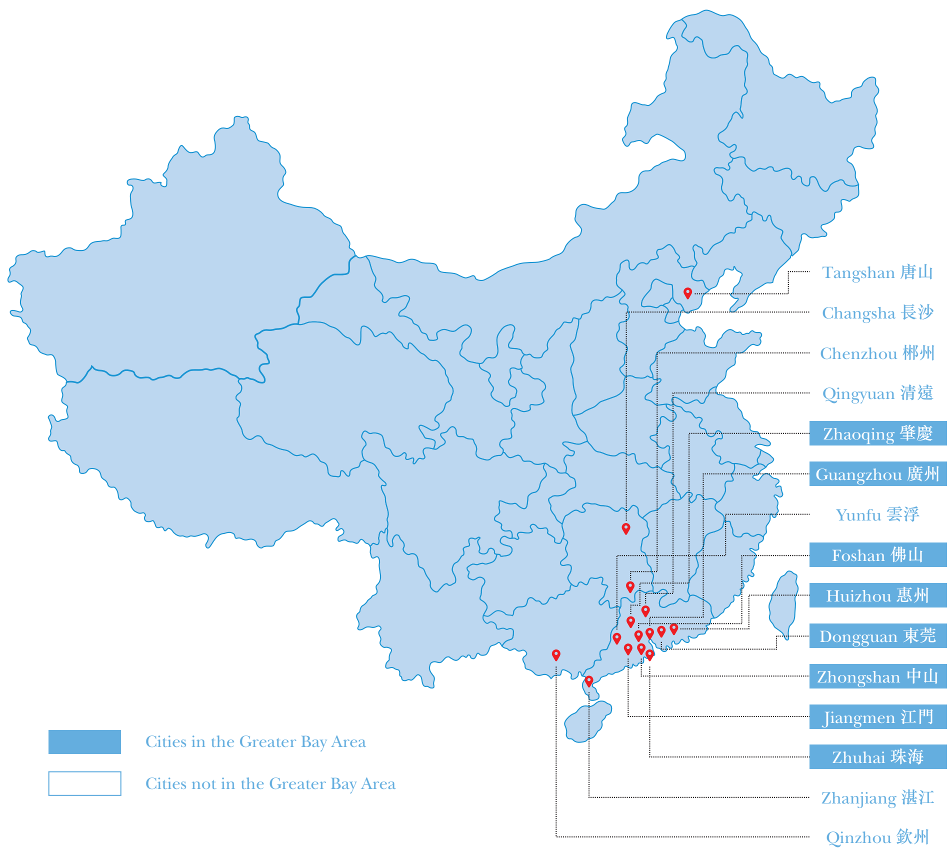
(1) In relation to residential communities and non-residential communities we manage, new engagements primarily include preliminary property management service contracts for new properties developed by property developers and property management service contracts for residential communities replacing their previous property management service providers.

(2) These refer to engagements obtained through our acquisition of Guangzhou Wanning in April 2016, Foshan Shunde Hetai in February 2016, Zhuhai Yuanxing in April 2016, Qingyuan Shengye in August 2017, Guangzhou Dongkang in March 2019 and Qingyuan Rongtai in April 2019.

(3) These terminations include our voluntary non-renewal of certain property management service contracts as we reallocated our resources to more profitable engagements in an effort to optimize our property management portfolio.

Our Geographic Presence

We provided services in 15 cities in the PRC as of June 30, 2019. The map below illustrates the cities in which the properties we managed were located as of June 30, 2019:



As of June 30, 2019, we had a total of 204 properties under management (excluding municipal sanitation services) and contracted to manage 50 properties which had not been handed over to us for management. Our undelivered GFA was 10.3 million sq.m. as of June 30, 2019. We have plans to expand along with the strategic development of Times China Group. Leveraging the strong brand reputation we have established through strategic cooperation with Times China Group, we have expanded to cities including Guangzhou, Zhuhai, Foshan, Zhongshan, Qingyuan, Dongguan, Huizhou, Changsha, Zhaoqing, Chenzhou, Yunfu, Jiangmen, Zhanjiang, Qinzhou and Tangshan.

The table below sets forth a breakdown of our total GFA under property management as of the dates, and total revenue by cities for the periods indicated:

	As of or for the year ended December 31,									As of or for the six months ended June 30,					
	2016			2017			2018			2018			2019		
	GFA	Revenue		GFA	Revenue		GFA	Revenue		GFA	Revenue		GFA	Revenue	
	(sq.m.)	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*
	(in thousands, except for percentages)														
Greater Bay Area															
Guangzhou	4,116	84,031	37.9	5,412	128,265	38.9	5,413	152,465	37.7	5,412	74,144	38.1	13,000	118,179	39.9
Foshan	3,451	54,575	24.6	4,317	78,436	23.7	4,825	95,151	23.5	4,440	46,938	24.1	6,796	64,320	21.8
Zhuhai	2,223	33,858	15.3	2,670	54,449	16.5	2,991	70,318	17.4	2,991	33,206	17.1	3,168	46,911	15.9
Zhongshan	827	25,123	11.3	1,134	28,118	8.5	1,133	26,671	6.6	1,133	12,692	6.5	1,133	13,269	4.5
Dongguan	120	4,482	2.0	120	6,627	2.0	120	6,537	1.6	120	4,361	2.2	1,508	8,828	3.0
Zhaoqing	574	3,254	1.5	287	5,003	1.5	287	5,022	1.2	287	2,292	1.2	2,961	5,628	1.9
Huizhou	–	–	–	49	388	0.1	49	604	0.2	49	302	0.2	201	301	0.1
Jiangmen	–	–	–	–	–	–	712	2,806	0.7	712	1,206	0.6	712	1,609	0.5
	11,311	205,323	92.6	13,989	301,286	91.2	15,530	359,574	88.9	15,144	175,141	90.0	29,479	259,045	87.6
Other cities															
Qingyuan	720	6,193	2.8	1,022	13,013	3.9	1,321	20,813	5.2	1,321	8,899	4.6	1,711	14,249	4.8
Yunfu	–	–	–	–	–	–	–	–	–	–	–	–	300	978	0.3
Zhanjiang	–	–	–	–	–	–	–	–	–	–	–	–	27	650	0.2
Chenzhou	–	–	–	–	–	–	–	–	–	–	–	–	280	351	0.1
Changsha	1,035	10,305	4.6	1,035	16,234	4.9	1,919	23,684	5.9	1,035	10,545	5.4	2,291	18,828	6.4
Qinzhou	–	–	–	–	–	–	–	–	–	–	–	–	11	798	0.3
Tangshan	–	–	–	–	–	–	–	–	–	–	–	–	579	929	0.3
	1,755	16,498	7.4	2,057	29,247	8.8	3,240	44,497	11.1	2,356	19,444	10.0	5,199	36,783	12.4
Total	**13,066**	**221,821**	**100.0**	**16,046**	**330,533**	**100.0**	**18,770**	**404,071**	**100.0**	**17,500**	**194,585**	**100.0**	**34,678**	**295,828**	**100.0**

Property Management Service Contracts

We enter into property management service contracts with or without fixed terms with property developers, property owners' associations or property owners. During the Track Record Period, a majority of our GFA under property management under our property management service contracts did not have fixed terms, while in general the rest with fixed terms ranging from three years to five years. With respect to property developers, we generally enter into preliminary property management service contracts during the construction of the underlying properties but before the establishment of property owners' associations. In relation to residential properties that have already been delivered where property owners' associations are established, we may enter into property management service contracts with property owners' associations after being selected by the general meeting of property owners. For non-residential properties, we may enter into property management service contracts with property owners.

The table below sets forth a breakdown of our GFA under property management as of the dates and revenue generated from property management services for the periods indicated by counterparty of our property management service contracts.

	As of or for the year ended December 31,									As of or for the six months ended June 30,		
	2016			2017			2018			2019		
	GFA under property management	Revenue		GFA under property management	Revenue		GFA under property management	Revenue		GFA under property management	Revenue	
	(sq.m.)	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*
	(in thousands except for percentages)											
Property Developers[(1)]	10,358	171,709	77.4	12,912	250,244	75.7	15,404	304,468	75.4	19,084	199,423	67.4
Property owners' associations/property owners and residents	2,708	50,112	22.6	3,134	80,289	24.3	3,366	99,603	24.6	15,594	96,405	32.6
Total	**13,066**	**221,821**	**100.0**	**16,046**	**330,533**	**100.0**	**18,770**	**404,071**	**100.0**	**34,678**	**295,828**	**100.0**

Note:

(1) Include property management projects where we continued to provide services after property owners' associations were established pursuant to the terms of preliminary property management service contracts originally signed with property developers. After the delivery of properties, we charge property management fees from property owners and residents for property management service pursuant to the terms of preliminary property management service contracts originally signed with property developers.

The table below sets forth the expiration schedule of our property management service contracts for properties under our management as of June 30, 2019:

	Contracted GFA	GFA under property management	Undelivered GFA
	(in thousands, sq.m.)		
Property management service contacts without fixed term[(1)]	23,068	18,060	5,008
Property management service contacts with fixed terms expiring in			
Year ending December 31, 2019	6,097	6,097	–
Year ending December 31, 2020	5,801	4,626	1,175
Year ending December 31, 2021	3,007	2,870	137
Year ending December 31, 2022 and beyond	7,015	3,025	3,990
Subtotal	21,920	16,618	5,302
Total	44,988	34,678	10,310

Note:

(1) Property management service contracts without fixed terms are generally preliminary property management service contracts entered into with property developers. They will usually terminate when property owners' associations are established and new property management service contracts are entered into.

According to the 2019 interim report of Times China Group, we expect to be awarded 25 property management service projects by Times China Group with an aggregate contracted GFA for management of approximately 6.5 million sq.m. in 2019 and 32 property projects with an aggregate contracted GFA of approximately 4.5 million sq.m. in 2020, which are mainly located in Guangdong, Hunan and Sichuan provinces and Shanghai. Such estimates were made based on a number of assumptions, including, among others, (i) there will be no material change in delivery schedule of the properties developed by Times China Group as disclosed in the 2019 interim report of Times China; (ii) there will be no material adverse change to the time gap between entering the property management service contracts and the delivery of properties developed by Times China Group during the Track Record Period; and (iii) the tender success rate for such properties will keep at the historical level of 100%, and is subject to uncertainties and changes. As of the Latest Practicable Date, we had signed property management service contracts or won the bid to manage 21 properties, which were part of the 25 projects that we expect to be awarded by Times China Group in 2019, with an aggregate contracted GFA of approximately 5.7 million sq.m. with Times China Group. Those property projects are mainly located in Guangdong province.

Key terms of preliminary property management service contracts

Our preliminary property management service contracts typically includes the following key terms:

- ***Scope of services***. We provide standard property management services including security, gardening, cleaning, repair and maintenance of the common areas and related equipment and facilities. We may outsource certain services to qualified sub-contractors.

- ***Standards***. The contract sets out specific quality standards for providing the property management services. The contract also sets forth the areas to which our services are related.

- ***Property management fees***. The contract sets out the property management fees, generally payable on a lump sum basis. The property developer is generally responsible for paying the property management fees for the units that remain unsold. If we have agreed to manage car parks, the preliminary property management service contract will also specify the fees payable for such services. For overdue property management fees, property developers pay a penalty equal to a daily-accumulating surcharge at a certain percentage of the overdue amount.

- ***Property developers' obligations***. The property developer is primarily responsible for, among other things, (i) providing us with as-built drawings and other construction design documents and completion inspection documents; (ii) list of venues and facilities in the property; and (iii) other documents in relation to the use, repair and maintenance of the facilities in the property.

- ***Term of service***. Our preliminary property management service contracts generally do not have fixed terms and terminate only when the relevant property owners' associations are established and new property management service contracts are entered into to replace the existing contracts with property developers. If a contract expires and no property owners' association has been established, we may enter into a supplementary contract or a new management contract.

- ***Dispute resolution***. Parties are typically required to resolve any contractual disputes through negotiation first. If the negotiation fails, the dispute will be resolved through court proceedings or arbitration.

- ***Other services.*** We are able to provide other paid services to residents according to their needs and charge fees accordingly.

After property developers deliver properties to property owners, property owners may form and operate a property owners' association to represent them in matters related to the properties under certain conditions. The Property Law of the People's Republic of China, the Regulations on Property Management and the Guidance Rules of the Owners' Meeting and the Property Owners' Association stipulate that property owners that own more than half of the GFA and more than half of the total number of the property owners in the property may vote to establish a property owners' association at a property owners' meeting. Property owners of non-residential properties are not required to establish a property owners' association under the relevant PRC laws and regulations.

As of June 30, 2019, 25 residential communities under our management had established property owners' associations, accounting for approximately 12.3% of the total number of properties under our management. As of the same date, we also had one non-residential property under management that had established property owners' association. The property owners' associations are independent from us. We need to secure our engagement by the property owners' meeting based on reasonable prices, quality services and scientific management methods and other competitive advantages. In the event that a property owners' association is formed, pursuant to applicable PRC laws and regulations, a general meeting of the property owners can engage or dismiss a property management service provider with affirmative votes of property owners who own more than half of the total construction area of the property and who account for more than half of the total number of the property owners. The general meeting can select a new property management service provider by way of a public tender or entering into contract with a specific property management service provider directly, based on certain selection criteria. See "Regulatory Overview—Legal Supervision over Property Management Services—Appointment of Property Management Enterprises" in this prospectus.

In the event that the property owners' association has not been formed after the delivery of the properties to property owners, the preliminary property management service contract entered into between the property developer and us at the pre-sale and pre-delivery stages would remain legally effective and bind the owners of the properties, who are obligated to pay the property management fees directly to us. Property owners will be our customers of property management services after the delivery of properties including non-residential properties, who are obligated to pay property management service fee to us. The preliminary property management service contract will be terminated when the property owners' association is formed and a new property management service contract is entered into.

Key terms of contract with property owners' associations and property owners

Our contract with a property owners' association typically include the following key terms:

- ***Scope of services***. Typically, we agree to provide general property management services including cleaning, security, gardening, management of car parks as well as repair and maintenance. Property owners or residents may request value-added services by entering into separate service agreements with us. We may outsource certain services to qualified sub-contractors.

- ***Performance scope and standards***. The contract sets out the scope and expected standards for our property management services, including the areas to which our services are related, as well as the requirements, frequency and standards for the performance of services such as cleaning communal areas and inspecting facilities (for example, power supply and distribution systems, water supply and drainage systems and fire extinguishing systems).

- ***Property management fees***. The contract sets out the property management fees payable on a lump sum basis. The property owners and residents are responsible for paying the property management fees, which shall be proportional to the size of the area stated in their building ownership certificates. If the owners and residents request other services not covered within our general scope of services, they shall also pay service fees either as separately agreed under the relevant agreements entered into between property owners and residents and us or as set out in the standard fee schedules applicable to the specific communities. For overdue property management fees, property owners and residents pay surcharges at a percentage of the overdue amount for the overdue property management fee. If we have agreed to manage and lease car parks, the property management service contract will also detail the fees payable for such services.

- ***Rights and obligations of property owners' association***. The property owners' association is primarily responsible for, among others, ensuring that property owners and residents understand and commit to their obligations in relation to the payment of property management fees, providing us with office facilities and other support necessary for per our contractual obligations. The property owners' association has the right to be informed of and supervise the use of public funds and the management of common areas and public facilities and review the annual budget and property management plan prepared by us.

- ***Terms and termination***. The contract typically has a duration of one to five years. During the Track Record Period and up to the Latest Practicable Date, neither we nor any property owners' association of properties under our management has unilaterally terminated any property management service contract with a property owners' association before its expiration date.

- ***Dispute resolution***. Parties are typically required to resolve any contractual disputes through negotiations first, failing which the dispute is to be resolved through court proceedings or arbitration.

- ***Other services.*** We provide repair, maintenance and other services such as replacement of faucets, installation of lighting fixtures, maintenance of indoor wooden floor and other paid services to residents according to their needs and charge relevant cost.

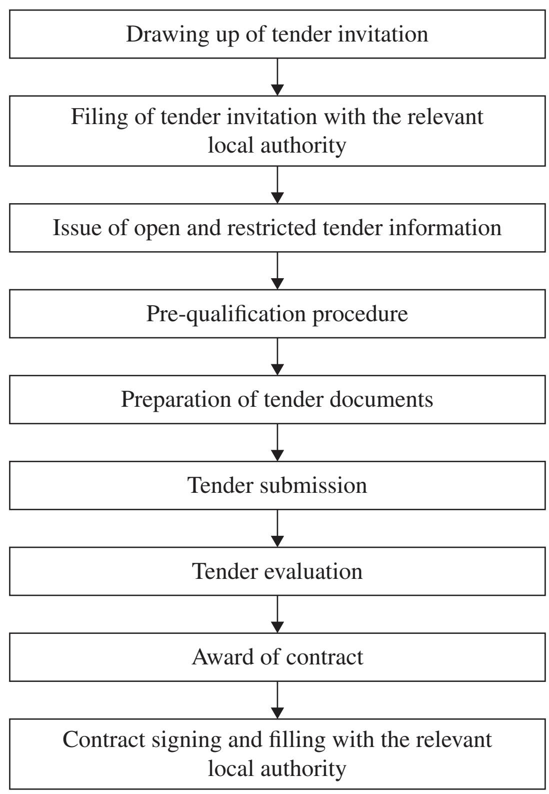
According to relevant PRC laws and regulations, the property owners' association is elected by property owners, and represents their interest in matters concerning property management. The property owners' association's decisions are binding on all property owners. As advised by our PRC Legal Advisors, contracts between property owners' associations and property management companies, including the legal rights and obligations of property owners under such contracts, are valid and legally binding on property owners, whom their respective property owners' associations represent, even if the property owners are not parties to such contracts. As a result, we have legal claims against property owners for accrued and outstanding property management fees. Property owners and residents have the right to be informed of and supervise the use of public funds and the management of common areas and public facilities.

Tender process

During the Track Record Period, we procured our preliminary property management service contracts from property developers mainly through tender and bidding procedures regulated by applicable PRC laws. According to the Regulations on Property Management (《物業管理條例》) and the Interim Measures for Tender and Bidding Management of Preliminary Property Management (《前期物業管理招標投標管理暫行辦法》), the property developer of residential properties and non-residential properties in the same property management area shall engage qualified property management enterprises through a tender and bidding process. If there are fewer than three bidders or for small-scale properties, the developer can select and hire qualified property management enterprises by directly entering into an agreement with the approval of the real estate administrative department of the district or county government of the place where the property is located. During the Track Record Period, as confirmed by our Directors, save for four preliminary property management service contracts in one city which were obtained by directly entering into preliminary property management service contracts with property developers, which has been endorsed by relevant government authority where these properties are situated, all of our preliminary property management service contracts were obtained through a tender and bidding process.

As confirmed by the real estate administrative department of the county government of the place where these properties are located, the competent government authority for the preliminary property management service contract, selecting us as the property management service provider directly by property developers by entering into preliminary property management service contracts and these four preliminary property management contracts are in compliance with relevant administrative requirements and these four preliminary property management service contracts have been filed and are enforceable.

The flow chart below illustrates each stage of the typical tender process for our property management service contracts:



A typical tender process primarily involves the following stages:

- ***Invitation***. The tenderee, typically a property developer or property owners' association, may publish an announcement to invite potential bidders setting out the specifications and requirements for the property management project on website.

- ***Filing of invitation.*** Tender invitation related documents and governmental approvals in relation to the project are required to be submitted and filed with the competent local real estate administration department in advance.

- ***Issue of open and restricted tender information.*** Tenderee publishes tender information and only property management companies that satisfy the tender requirements are eligible to bid.

- ***Pre-qualification procedure.*** Tenderee conducts preliminary qualification assessment and property management companies can only participate in the tender process if they pass this qualification assessment.

- ***Preparation of tender.*** We prepare tender materials pursuant to the specific requirements of the project which demonstrate our competitiveness.

- ***Tender submission***. Bidders submit tender documents to the tenderee which generally contain proposed pricing, proposal and plan for property management and other information as specified by the tender invitation.

- ***Tender evaluation***. Tenderee establishes a tender evaluation committee to review and rank the submitted tenders. The tender evaluation process and the composition of the tender evaluation committee must comply with the requirements of relevant PRC laws and regulations. The tender evaluation committee generally takes into account factors such as credentials, service quality, capital sufficiency and prices when it evaluates the proposals. The result of the tender will be published on website.

- ***Award of contract.*** Award winner signs the property management service contract within 30 days upon issuing the notification of the award.

- ***Contract signing and filing with relevant local authority***. Tenderee is expected to file the result of the tender with the relevant local authority within 30 days upon confirmation of the award.

A typical tender process usually lasts for 60 days. We do not need to undergo the tender process when we negotiate with customers directly for renewal of existing contracts. In 2016, 2017, 2018 and six months ended June 30, 2019, our retention rates for property management service contracts were 100%, 98.8%, 97.8% and 97.6%, respectively. Our retention rates for 2017, 2018 and the six months ended June 30, 2019 were lower than 100%, primarily because we voluntarily opted out of certain contracts due to their low profit margins. Moreover, the renewal rates of our property management service contracts in 2016, 2017, 2018 and the six months ended June 30, 2019 were 100%, 92.3%, 94.4% and 100%, respectively. Our renewal rate in both 2017 and 2018 were lower than 100%, primarily because we chose to not renew certain contracts due to their low profit margins[*].

* Our retention rate is calculated as the aggregate number of properties under management during the period minus the number of properties we ceased to manage during the same period, then divided by the aggregate number of properties under management during the period. Our renewal rate is calculated as the number of property management service contracts successfully renewed during the period divided by the total number of property management service contracts expired during the same period. Consequently, if we voluntarily withdraw from certain projects within a period before the expiration of the relevant property management service contracts, our renewal rate and retention rate for such period will be different.

For both properties developed by Times China Group and properties developed by third-party property developers, we go through the tender process before being awarded property management service contracts, which is a standard tender process, to the extent required by PRC laws and regulations. In 2016, 2017, 2018 and the six months ended June 30, 2019, our bid win rates for properties developed by Times China Group were 100%, 100%, 100% and 100%, respectively. Our high bid win rates for properties developed by Times China Group was primarily because of our long-term cooperation with Times China Group, our ability to provide quality property management services and the fact that we share the similar philosophy in providing products and services to customers with Times China Group so that we are able to better understand and fulfill their needs and requirements. For the same periods, our bid win rates for properties developed by third-party developers were 100%, 88.9%, 25.4% and 27.5%, respectively. The decrease of bid win rates for properties developed by third-party property developers was primarily because we participated in an increasing number of tender processes in an effort to obtain more engagements and expand into new markets where we were in the process of establishing over brand awareness.

Portfolio of Properties under Management

We manage a diversified portfolio of properties, comprising residential properties and non-residential properties including commercial properties, office buildings, multi-purpose complexes, government buildings and public facilities, an airport, industrial parks and educational institutions. While residential properties have generated and will continue to generate the largest percentage of our revenue, we are attaching increasing importance to enrich types of property management as part of our endeavor to diversify the project types of our service offerings and make them balanced.

The table below sets forth a breakdown of our total GFA under property management as of the dates and revenue generated from property management for the periods indicated by type of property:

	As of or for the year ended December 31,									As of or for the six months ended June 30,					
	2016			2017			2018			2018			2019		
	GFA	Revenue		GFA	Revenue		GFA	Revenue		GFA	Revenue		GFA	Revenue	
	(sq.m.)	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*
	(in thousands except for percentages)														
Residential properties	7,351	163,681	73.8	8,989	239,600	72.5	10,764	283,107	70.1	9,785	138,632	71.2	12,956	184,016	62.2
Non-residential properties(1)	5,715	58,140	26.2	7,057	90,933	27.5	8,006	120,964	29.9	7,715	55,953	28.8	21,722	111,812	37.8
Total	**13,066**	**221,821**	**100.0**	**16,046**	**330,533**	**100.0**	**18,770**	**404,071**	**100.0**	**17,500**	**194,585**	**100.0**	**34,678**	**295,828**	**100.0**

Note:

(1) Include offices, commercial complexes, industrial parks, government office buildings, hospitals, airports, schools, museums, concert halls and parking spaces sold to property owners.

During the Track Record Period, we generated a significant portion of our revenue from management of residential properties. The GFA of residential properties under property management grew rapidly from 7.4 million sq.m. as of December 31, 2016 to 13.0 million sq.m. as of June 30, 2019. As we have continued to contract to manage residential properties developed by Times China Group and third-party property developers, we believe that such growth in our GFA of residential properties under property management is sustainable. Our total GFA of non-residential properties under property management also increased from 5.7 million sq.m. as of December 31, 2016 to 21.7 million sq.m. as of June 30, 2019. This rapid growth was primarily because of our organic expansion and acquisitions of property management companies.

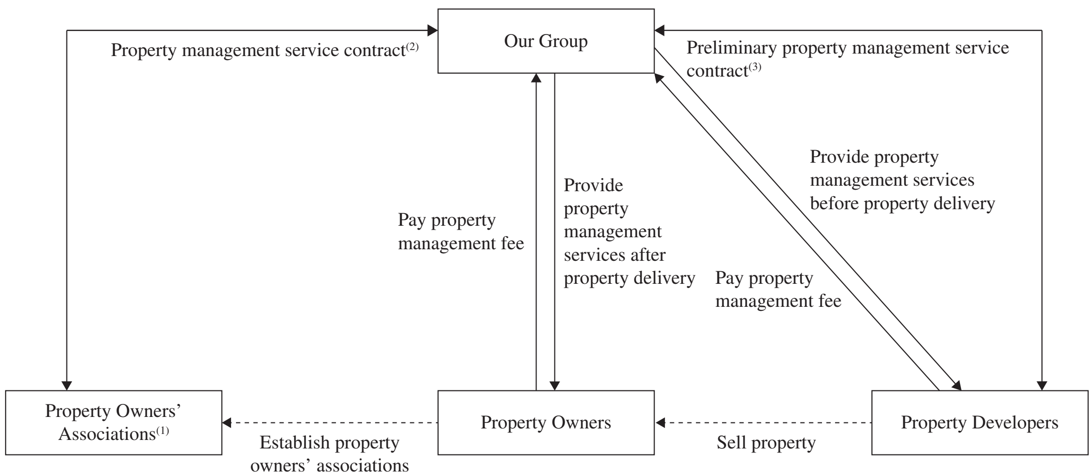
Since January 1, 2016, our subsidiary Guangzhou Dongkang has won bid for three times consecutively and contracted to manage Guangzhou Museum (廣州博物館), providing services including educational tour, security, repair and maintenance of water and electricity facilities, cleaning, gardening and others. Since July 1, 2015, Guangzhou Dongkang have won bid twice and contracted to manage South China Normal University (華南師範大學), providing services including cleaning and gardening. Since June 18, 2012, Guangzhou Dongkang have won the bid to manage the Guangzhou Baiyun District National Taxation Bureau (廣州市白雲區國稅局) in Guangdong province and each of its branches for five times, providing services including security, cleaning, gardening, engineering, conference services, catering and other services. Since July 30, 2015, our subsidiary Guangzhou Dongkang has won the bid twice and contracted to manage the Opium War Museum in Dongguan city, providing services including security, cleaning, gardening, car park management, ticketing, file management and other services. As a result of our continuous efforts to expand our customer base and to diversify our portfolio of properties under management, the proportion of our revenue generated from managing non-residential properties to our total revenue generated from property management services increased from 26.2% in 2016 to 27.5% in 2017 and further to 29.9% in 2018. For the six months ended June 30, 2019, revenue generated from managing non-residential properties accounted for 37.8% of our total revenue generated from property management services. We believe that the experience and recognition we have gained from managing such diversified non-residential properties will enable us to further expand our portfolio of properties under management and grow our customer base.

Property Management Fees

During the Track Record Period, all of our revenue generated from property management business was charged on a lump sum basis.

We take into account a number of factors in determining whether to charge property management fees under lump sum basis or commission basis. These factors include but not limited to local regulations, property developers' or property owners' associations' requirements, local market conditions, nature and characteristics of individual properties. Our property management team assesses prospective customers by evaluating key factors such as estimated costs of managing the property, historical fee collection rates and projected profitability as well as whether the property was previously generated on a lump sum basis or a commission basis. During the Track Record Period, we managed all of our properties on a lump sum basis because we believe the lump sum model helps us strengthen our cost consciousness, improve the our competitiveness, reduce costs and improve operational efficiency.

The diagram below illustrates our relationships with various parties under our property management service contracts.



Notes:

(1) A property owners' association is authorized by applicable laws to act on behalf of the property owners.

(2) A property management service contract entered between a property owners' association and us is legally binding on all property owners in accordance with PRC laws.

(3) A preliminary property management service contract entered between a property developer and us before the properties are delivered to property owners is legally binding on the future property owners in accordance with PRC laws.

Property management fees charged on a lump sum basis

Under the lump sum basis revenue model, we charge a fixed and "all-inclusive" property management fees for all of our property management services payable on a quarterly or monthly basis, depending on the specific terms of our property management service contracts. We are entitled to retain the full amount of property management fees received from property owners and residents and property developers.

On a lump sum basis, we bear the costs of managing properties, and recognize such costs as our cost of services, which include expenses associated with staff directly providing property management services, maintenance and repair of communal areas, facilities management, cleaning and garbage disposal and security. As a result, our profit margins are affected by our ability to reduce our cost of services. In the event that our cost of services is higher than anticipated, we would not be able to collect additional amounts from our customers to sustain our profit margins. During the Track Record Period, we incurred loss with respect to certain properties managed under lump sum basis. We incurred loss in an aggregate amount of RMB1.8 million, RMB1.5 million, RMB0.6 million and RMB0.4 million, respectively, with respect to two, four, four and four property projects, respectively, which were managed under lump sum basis for 2016, 2017, 2018 and the six months ended June 30, 2019. The aggregate revenue generated from such loss-making property projects was RMB16.7 million, RMB19.9 million, RMB14.6 million and RMB7.0 million, respectively, for 2016, 2017, 2018 and the six months ended June 30, 2019, representing approximately 4.5%, 3.8%, 2.1% and 1.5%, respectively, of our total revenue for the same periods. These projects were either obtained through our acquisitions or have been under management for a long period. We have either increased the property management fees, increased revenue and profitability by providing diversified services or ceased to manage most of these properties, and plan to endeavor to do the same for the rest of the properties in the future. As of the Latest Practicable Date, we had increased property management fees for a loss-making property project and expect to record a profit for such property project in the year ending December 31, 2019. In addition, we have increased our revenue from parking space management services of another loss-making property due to the expansion of its parking space and expect to record a profit for such property in the year ending December 31, 2019. We plan to increase property management fees for another two loss-making property projects in 2020 and expect to record profits for such property projects in the year ended December 31, 2020. If we are unable to increase the property management fees for such loss-making property projects, and are unable to make a profit for such projects after making efforts to diversify our community value-added services, we may consider to cease managing such loss-making property projects. See "Risk Factors —Risks Relating to Our Business and Industry—We generated revenue from property management services on a lump sum basis. We may be subject to losses if we fail to estimate or control our costs in performing our property management services" in this prospectus.

Pricing policy

We generally price our services by taking into account a number of factors, such as the types and locations of the communities, our budget, target profit margins, the profiles of property owners and residents as well as the scope and quality of our services. We regularly evaluate our financial information to assess whether we are collecting sufficient property management fees to sustain our profitability. After June 30, 2019 and as of the Latest Practicable Date, we raised the property management fee for three properties we managed after being approved by property owners who owned half or more of the total GFA and who accounted for half or more of total property owners of each property, in compliance with relevant PRC laws and regulations.

The relevant price administration department and construction administration department of the State Council are jointly responsible for the supervision over and administration of the fees charged in relation to property management services, and such fees may need to refer to government guidance prices. We are also subject to pricing controls issued by the PRC Government. In December 2014, the NDRC issued the Circular of the NDRC on the Opinions of Relaxing Price Controls in Certain Services (國家發展和改革委員會關於放開部分服務價格意見的通知) (the "**Circular**"), which required provincial-level price administration authorities to abolish all price control or guidance policies on residential properties, with certain exceptions. According to the Notice on Further Standardization on Property Management Services Fees (《關於進一步規範物業服務收費的通知》) issued by the Development and

Reform Commission of Guangdong Province and the Guangdong Provincial Bureau of Housing and Urban-rural Development which has taken effect on August 1, 2019, the property management charging standards for which government guidance prices are carried out will be determined by the property management companies and the property owners through negotiation, and will no longer be required to report to the local Development and Reform Commission for filing. See "Regulatory Overview—Legal Supervision over Property Management Services—Fees charged of Property Management Enterprises" in this prospectus. Pricing controls on residential properties have been relaxed over time as relevant local authorities passed regulations to implement the Circular.

The following table sets out a breakdown of our GFA under property management as of the dates indicated and average property management fee by types of property:

	As of or for the year ended December 31,						As of or for the six months ended June 30,			
	2016		2017		2018		2018		2019	
	GFA under property management	Average property management fee	GFA under property management	Average property management fee	GFA under property management	Average property management fee	GFA under property management	Average property management fee	GFA under property management	Average property management fee
	(sq.m. in thousands)	*(RMB per sq.m. per month)*	*(sq.m. in thousands)*	*(RMB per sq.m. per month)*	*(sq.m. in thousands)*	*(RMB per sq.m. per month)*	*(sq.m. in thousands)*	*(RMB per sq.m. per month)*	*(sq.m. in thousands)*	*(RMB per sq.m. per month)*
By type of property:										
Residential properties	7,351	2.23	8,989	2.32	10,764	2.39	9,785	2.37	12,956	2.50
Non-residential properties	5,715	9.35	7,057	8.51	8,006	8.04	7,715	9.15	21,722	5.39
Total/Overall	**13,066**	**2.69**	**16,046**	**2.67**	**18,770**	**2.68**	**17,500**	**2.68**	**34,678**	**3.48**

In 2016, 2017, 2018 and the six months ended June 30, 2019, the average property management fee charged for the residential properties we managed was approximately RMB2.23 per sq.m. per month, RMB2.32 per sq.m. per month, RMB2.39 per sq.m. per month and RMB2.50 per sq.m. per month, respectively. During the Track Record Period, our average property management fees for non-residential properties were higher than those for residential properties, in line with the industry, according to CIA. The average property management fees for non-residential properties decreased in the six months ended June 30, 2019, primarily due to the acquisition of Guangzhou Dongkang, a majority of the properties managed by which are government properties, such as museums, public facilities and government buildings. Such properties generally have relatively lower average property management fees than commercial buildings and office buildings.

Payment Terms and Credit Terms

We may charge property management fees on a quarterly or monthly basis, depending on the terms of our property management service contracts. We send reminders and notifications to property owners through various channels, such as via written notice, phone calls, SMS or in person. We usually notify property owners to pay property management fees of the next payment period at least five days before the end of the current payment period. We issue the first demand letter to property owners whose property management fees are overdue for a month. We issue a second demand letter to property owners after property management fees has been overdue for two months. If the overdue property management fee has not been paid after three months, we will send a formal letter from our lawyer. If all of the abovementioned efforts are not successful, we may resolve the dispute in court as a last resort. To the extent permitted under applicable PRC laws, we charge property owners for utility fees in relation to water and electricity consumed by communal areas, in proportion to the total GFA under property management that they occupy and in addition to agreed-upon property management fees.

We typically receive payment for our property management services within 30 days after the issuance of the demand letter reminder to property owners.

Our customers can pay the amount payable to us in cash, through online or offline transfer, auto-pay, debit or credit card or third-party mobile payment platforms such as WeChat Pay and Alipay.

For the years ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2018 and 2019, our collection rate for property management fees was 90.3%, 88.5%, 89.0%, 82.9% and 85.7%, respectively. Property owners and residents tend to settle outstanding property management fee balances in the second half of the year, especially toward the end of the year. See "Risk Factors—Risks Relating to Our Business and Industry—The collection of our trade receivables is subject to seasonal fluctuations" in this prospectus.

VALUE-ADDED SERVICES TO NON-PROPERTY OWNERS

We provide a series of value-added services to non-property owners, mainly property developers.

Construction Site Services

We provide construction site services to property developers, including consultancy services and security services. We provide preliminary planning and consultancy services to property developers, leveraging our operational experience in property management and our understanding of customer needs to improve their performance. We provide consultancy services during the planning and construction stages and assess the project to make sure that the equipment selection can meet the requirements of property management and the needs of property owners and residents. The scope of our assessment covers employee safety, fire safety and security. During construction, we conduct on-site inspections from time to time and follow up on issues we may find from a property management service provider's perspective. Typically, we enter into construction site service agreements with property developers. During the Track Record Period, we provided construction site services through our subsidiaries. We determine fees for these services by charging a profit markup on top of our costs. In 2016, 2017, 2018 and the six months ended June 30, 2019, our revenue derived from construction site services accounted for 18.1%, 20.9%, 21.6% and 17.9%, respectively, of our revenue from value-added services to non-property owners.

Sales Assistance Services

Property developers, including Times China Group and third-party property developers, may engage us to provide sales assistance services in relation to their sales and leasing offices. We deploy staff on-site to assist property developers in showcasing and marketing their properties, including pre-sale consultation, display unit management (such as gardening, security and maintenance), organizing sales campaigns as well as visitor reception for property development projects. Our sales assistant services for each property development project are included in the sales assistance services agreement, which typically sets out the standard for deployed staff and may carry a fixed term or termination upon notice.

We determine fees for these services by charging a profit markup on top of our costs. During the Track Record Period, we provided sales assistance services through our subsidiaries and sub-contractor. In 2016, 2017, 2018 and the six months ended June 30, 2019, our revenue derived from sales assistance services represented 54.0%, 67.7%, 61.9% and 71.9%, respectively, of our revenue from value-added services to non-property owners.

Pre-delivery Cleaning Services

We provide pre-delivery cleaning services to property developers. We help property developers clean units before delivery to property buyers to make the properties suitable for delivery and improve their customer satisfaction rate. We determine fees for these services by charging a profit markup on top of our costs. During the Track Record Period, we provided pre-delivery cleaning services through sub-contractor. In 2016, 2017, 2018 and the six months ended June 30, 2019, our revenue derived from pre-delivery cleaning services represented 14.4%, 10.5%, 16.2% and 10.2%, respectively, of our revenue from value-added services provided to non-property owners.

COMMUNITY VALUE-ADDED SERVICES

As an extension of property management services, in order to satisfy the property owners and residents' pursuit of convenience, enhance customers' experience and increase their loyalty, we provide a wide range of services in two categories, namely, public space leasing and parking space management and resident services. Our public space leasing and parking space management, mainly include public facilities and space leasing and parking space management services. In 2016, 2017, 2018 and the six months ended June 30, 2019, our revenue derived from public space leasing and parking space management represented 77.9%, 69.0%, 73.0% and 75.2%, respectively, of our revenue from community value-added services. Focusing on the daily needs of property owners and residents, our resident services mainly include featured butler services, community shopping, community news and notifications, bill payment services, repair and maintenance of home appliances and event organization services. In 2016, 2017, 2018 and the six months ended June 30, 2019, our revenue derived from resident services represented 22.1%, 31.0%, 27.0% and 24.8%, respectively, of our revenue from community value-added services. The details of our community value-added services to property owners and residents are set out as following:

Public Space Leasing and Parking Space Management

Public facility and space leasing services

We lease certain common areas on behalf of property owners to third parties for advertising and other purposes, such as the advertising spaces in elevators and on exterior walls. We set leasing prices with lessees taking into account the subject of the advertisement, target space and length of the period. Income from leasing the common areas will primarily be used as public repair and maintenance fund, which can be spent on intelligent community upgrade, thus further improving their living standard. We collect rent on behalf of property owner and generate revenue by receiving service fees as an agreed percentage of the rent. In the six months ended June 30, 2019, we did not renew the service agreements with some of our existing customers who rent advertising spaces in the properties we managed and were in the process of entering new service arrangements with increased service fees and expanding customer base. See "Financial Information—Results of Operations" in this prospectus.

Parking space management services

We manage parking spaces for parking space owners. We help parking space owners manage parking spaces, lease parking spaces to individual users and collect management fees from tenants who use the parking spaces. We collect management fees for our services from parking space owners generally on a monthly or quarterly basis. We determine fees for these services by charging a profit markup on top of our costs.

Resident Services

Featured butler services

Our butlers maintain frequent communications with property owners and residents through telephone calls and face-to-face conversations to listen to and understand their problems and needs so as to better anticipate and timely respond to their requests from time to time and to build trusting and cordial customer relationships. The property owners and residents seek assistance from our butlers whenever needed and almost all of the resident services in our managed residential communities are reported to the butlers who would in turn assess the situation and allocate and coordinate appropriate on-site resources to respond to customer requests and address such issues.

Community shopping services

With a view of serving our customers' need for shopping, we use the cost-plus method to price our products by adding a markup to the unit cost of the products. Our markup varies depending on the types of the products and prevailing market prices. Our community shopping services include offline and online sales and promotions. Property owners and residents get information about the advantages of products through online promotion activities on our Neighborhood Services mobile app or through communication with our butlers.

Community News and Notifications

To build up warm and collaborative communities, we provide our users with access to community news and notifications through our Neighborhood Services mobile app. Our Neighborhood Services mobile app directs its registered users to various contents about community information and local news as well as selected articles that provide useful tips on daily life.

Bill Payment Services

We offer our residents the convenience to pay their bills, such as property management fees, through our Neighborhood Services mobile app which can direct registered users to third-party payment platform, such as WeChat Pay and Alipay.

Home Maintenance Services

We provide home maintenance services, such as maintenance and installation of home appliances and fixtures as well as air-conditioner cleaning. We provide such services through our sub-contractors or subsidiaries. We determine fees for these services by charging a profit markup on top of our cost. We provide information about third-party service providers to property owners on our Neighborhood Services mobile app. Such third-party service providers bear the responsibility of any potential accidents.

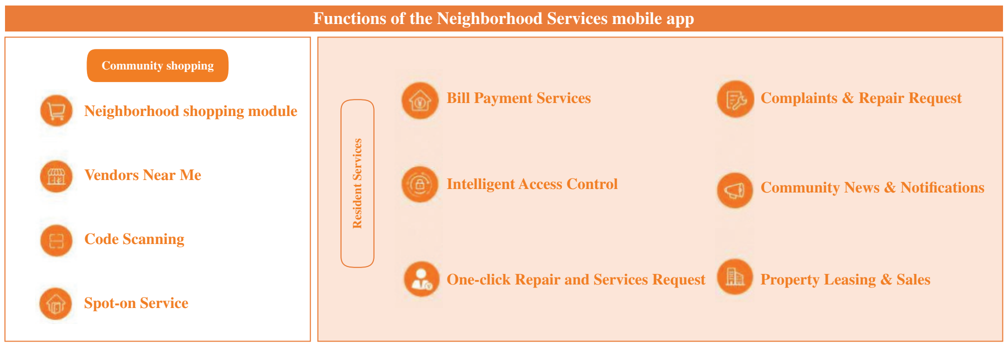
Event Organization Services

We are dedicated to organizing various community activities to build warm and harmonious communities. We have established our brand for community cultural activities, "I Love My Home (我愛我家)," which has been well recognized among the communities we manage. We also organize various holiday community events, such as "Parent-Child Sports Meeting (親子運動會)," "Neighborhood Hundred-Family Banquet (鄰里百家宴)" "Times Interest Club (時代趣樂部)" and "Happy 1+1 Family Day (幸福1+1溫馨家庭節)." Such events are well-received among property owners and residents and have become a hallmark of our services.

Our Neighborhood Services Mobile App

Our community value-added services are provided through (i) our daily interactions with property owners and residents during the process of providing property management services and (ii) our mobile app, "Neighborhood Services" (鄰里邦). Our Neighborhood Services mobile app provides premium user experience which enables users to enjoy a variety of our community products and services. As of December 31, 2018 and June 30, 2019, there were 607,541 and 632,098 registered users on our Neighborhood Services mobile app. The average MAUs on our Neighborhood Services mobile app for 2018 and the six months ended June 30, 2019 were 45,057 and 51,168, respectively.

The major functions of our Neighborhood Services mobile app include (i) community value-added services; and (ii) Neighborhood shopping module. The chart below illustrates the major functions of our Neighborhood Services mobile app:



Access to community value-added services

Our Neighborhood Services mobile app provides access to our property management and value-added services, such as (i) one-click repair and services request (服務+): residents can report repair requests or other services requests to butlers through our Neighborhood Services mobile app or offline service center, and the butlers can arrange engineers to check and repair accordingly; (ii) intelligent access control (智能門禁): property owners and residents can get in and out with just a mobile phone; (iii) news and notifications: users can access various news and notifications, such as notification of water supply suspension; (iv) bill payment: users can pay their bills, such as mobile phone top-up and payment of property management fees, through our Neighborhood Services mobile app which directs registered users to third-party payment platforms, such as WeChat Pay and Alipay; and (v) vendors near me (周邊商家): residents can find nearby vendors, such as barber shops and cram schools, and their relevant information.

Neighborhood shopping module

We offer sales of products through Neighborhood Shopping module (鄰里星選) of the Neighborhood Services mobile app to property owners and residents. Our registered customers can use our mobile app to select and purchase products online and receive the purchased item through butler delivery service, third-party delivery service or by in person pick-up. We purchase large quantities of products from suppliers with wholesale price and generate profit from the difference between the wholesale price offered by the supplier and the retail price we charge to the registered users. Our markup varies depending on the type of the products and market prices. The chart and screenshot below illustrate the online shopping functions and interface of our Neighborhood Services mobile app:

According to the Telecommunication Regulation (《電信條例》), telecommunication business shall be conducted with a telecommunication business license/filling obtained from the Ministry of Industry and Information Technology or the competent telecommunications administrative authorities. The Catalog of Telecommunications Business (《電信業務分類目錄》) stipulates detailed categories of the telecommunications business. Pursuant to the Administrative Measures for Internet Information Services (《互聯網信息服務管理辦法》), entities engaged in providing commercial Internet information service shall apply for a license for value-added telecommunication services of Internet information services. Commercial Internet information service refers to the service activities of compensated provision to online subscribers through the Internet of information or website production. Non-commercial Internet service refers to the provision free of charge of public, commonly shared information through the Internet to web users. See "Regulatory Overview—Legal Supervision over the Internet Information Services—Supervision on Internet Information Services" in this prospectus.

As of the Latest Practical Date, our Neighborhood Services mobile app provided its registered users primarily with a variety of our community products and services such as home maintenance services requests, bill payment services and community shopping services. The registered users shall pay for the aforementioned products and services they purchase and do not need to pay any fee for using our Neighborhood Services mobile app or for the non-commercial Internet services provided by us, and the community products and services we provide through the mobile app are non-commercial Internet information services. As advised by our PRC Legal Advisors, the business conducted by our Group through Neighborhood Services mobile app does not constitute value-added telecommunications service or commercial Internet information service, and therefore an ICP license is not required for the services we provide on our Neighborhood Services mobile app.

OTHER PROFESSIONAL SERVICES

We provide other professional services to our customers, including (i) elevator services (including sale, installation, repair and maintenance of elevators), (ii) intelligent engineering and (iii) municipal sanitation services.

Elevator Services

We provide elevator services, including sale, installation, repair and maintenance of elevators, through our subsidiary Joan Elevator, which is qualified to provide such services. Joan Elevator has been the authorized sales agent of Shanghai Mitsubishi Elevator Co. Ltd. in Guangdong province for over 10 years. As of June 30, 2019, Joan Elevator had installed more than 500 elevators and offered repair and maintenance services to more than 3,000 elevators, covering a broad range of projects including government projects, industrial parks, hotels, shopping malls, hospitals, residential buildings and multi-purpose complexes.

During the Track Record Period, we determined fees for elevator services in the following ways: (i) for sale of elevator and elevator repair services, we charged a profit markup on top of our costs; (ii) for elevator maintenance services, we charged an agreed capped fee covering costs of certain components or costs within certain parts of elevators, plus an extra charge if we incur costs exceeding the agreed scope; and (iii) for elevator installation services, in 2016, 2017 and 2018, elevator suppliers engaged us as an agent under agency agreements to procure purchasers of elevators, who were mainly property developers, and provide elevator installation services to elevator purchasers procured by us. We charged agent commission and installation services at a fixed rate set by elevator suppliers.

As part of our business optimization initiative, in the six months ended June 30, 2019, we started negotiation with an elevator supplier and certain elevator purchasers, aiming to expand our elevator services to include the business of bulk purchasing and distributing elevator sets in order to procure large orders from property developers and to obtain more flexibility in pricing our elevator installation services. As of October 31, 2019, we had entered into four contracts for bulk purchasing and distributing elevator sets with elevator purchasers with an aggregate contract value of approximately RMB9.3 million. After the new business model is adopted, we expect our revenue from elevator services to also include income from sale of elevator sets. In addition, we expect to have discretion in pricing our elevator installation services by taking into account prevailing market prices, product features, timing requirements and location of the properties, among other factors, instead of following a fixed rate set by elevator suppliers, which would give us more flexibility in pricing and consequently further improve the profitability of our elevator installation services. In the six months ended June 30, 2019, during the negotiation with elevator suppliers and purchasers, we temporarily and partially suspended signing new contracts, which resulted in a decrease in our revenue from elevator services in the six months ended June 30, 2019 as compared to the same period in 2018.

Revenue from sale of elevators and elevator parts is recognized at the point in time when control of the asset is transferred to the customer. Revenue from elevator installation repair and maintenance services is recognized when the services are rendered.

We cooperate with colleges in Guangdong province to improve the technical skills of our employees. In the belief that a well-trained team can provide better quality services to our customers, we also set up an internal training program to provide dedicated trainings to our employees to upskill our employees. To better handle emergencies and address customer needs in a timely manner, we set up a 24-hour hotline, through which customers can request repairs and provide feedback. To enhance elevator users' safety awareness, we carry out free educational activities to instruct property management service providers and property owners how to react to and survive an elevator accident, which is well accepted by customers.

Intelligent Engineering

We provide intelligent engineering services to property developers and, to a lesser extent, property owners. Our intelligent engineering services mainly include:

- ***Provision of intelligent community solutions***: we provide consultancy services and sell intelligent engineering devices to property developers, aiming to provide intelligent community solutions on various aspects, including, but not limited to, project planning and construction supervision consultancy.

- ***Installation management services***: we provide management service with respect to the installation of various intelligent devices to establish intelligent communities. Such devices include, among others, community security equipment (社區安防設備設施), intelligent cloud parking (智慧雲車場) and intelligent management platform (智慧管控平台). We also provide after-sale service including certain repair and maintenance services, to ensure the on-going functioning of the intelligent devices.

With our intelligent engineering services, we have developed a series of customized products for our clients. For example, we have developed a smart parking management system which provides various online and offline features, such as online fee payment and discount management system, car plate recognition system and patrolling inspection system. We believe such system has lowered the labor costs for our customers and has optimized customers' experience. Moreover, we also provide software development services for third parties.

We determine fees for our intelligent engineering services by charging a profit markup on top of our costs.

Municipal Sanitation Services

Our subsidiary, Guangzhou Dongkang is a market-oriented professional municipal sanitation service provider with A-level qualification for the sanitation industry. We acquired Guangzhou Dongkang in March 2019. See "History, Reorganization and Corporate Structure—Major Acquisitions During the Track Record Period" in this prospectus. We provide road cleaning, garbage collection and garbage transportation services to municipal sanitation projects including public roads, garbage stations and parks. Since its inception and as of June 30, 2019, Guangzhou Dongkang had served over 260 corporate and governmental clients. For example, Guangzhou Dongkang provides road cleaning and garbage collection in the High-tech District of Zhaoqing, Guangdong province, serving a total GFA of 58.5 million sq.m. Guangzhou Dongkang also provides municipal sanitation services in Licheng, Zengcheng District, Guangzhou, primarily covering municipal road, public lawns, pond and public toilets. It also provides road cleaning and landscaping maintenance services in Nansha District, Guangzhou. Guangzhou Dongkang is the president enterprise of the Guangzhou Municipal Sanitation Association (廣州環衛行業協會會長單位) and has participated in the formulation of a number of property management service standards of Guangdong province and Guangzhou city. It is also a pilot enterprise of advanced standards of the modern service industry of China and Guangdong province.

We charge a package fee for our municipal sanitation services, determined by the relevant governments.

TECHNOLOGY

Infrastructure and Systems

In order to reduce human error and our reliance on manual labor, and ultimately improve our overall competitiveness, we employed technological solutions and strived to automize our key business operations. We have applied a number of advanced technologies, such as Internet of Things, cloud computing and AI computing, to our intelligent management and control platform. By continuously upgrading and optimizing our integrated command platform (全國集成管控平台), we have standardized our operation and improved operational efficiency. The integrated command platform (全國集成管控平台) is composed of four centers (including the standardization center (標準化中心), the data center (數據中心), the operation center (運營中心) and the command center (指揮中心)), which streamline the procedure of our business operation. In specific, the standardization center (標準化中心) sets up standardized model for various aspects of our business. Under such model, the data center (數據中心) collects, analyzes and manages data, the operation center (運營中心) tracks the details of our business operation and monitors deviations from the standardized model and the command center (指揮中心) collects feedbacks from the operation center and makes adjustments where necessary and appropriate.

Operating under the four centers, the integrated command platform (全國集成管控平台) runs nine modules that covers each aspects of our business. For example, the OQC quality inspection and repair order management system (OQC質量及工單管理系統) handles and manages the daily maintenance requests and quality complaints, distributes orders to relevant departments, sets up inspection targets, generates inspection plans and report the data to a higher level of authority for further handling. The Intelligent parking cloud (智慧雲車場) provides centralized management of parking system in our projects with various features such as fee payment management and car plate recognition. The finance and budget control system (財務及預算管控系統) establishes and refines our budgets, synthesizes the information from our day-to-day business operation, monitors factors that may affect our target profit, adjusts our budgets and provides timely feedbacks to our business operations. The remote facility and equipment management system (遠程設施設備管理系統) timely monitors various parameters of facilities and equipment and alarms abnormal data indicators. The customer service management system (客戶服務管理系統) collects and analyzes customers information to provide useful information for our decision-making and supervision process.

The nine modules are further supplemented by three administrative systems focusing on human resource management, day-to-day office administration and financial management, respectively. We believe such inter-connected technical system will continuously reduce our reliance on manual labor, simplify our communication channels and promote the efficiency of our business operation.

Data

We collect customer data to the extent necessary for us to provide services. For example, to apply for access control card, customers need to provide real estate right certificates and identity documents. When shopping online on our Neighborhood Services mobile app, customers need to provide their delivery addresses and contacts. We also collect customers' face ID for facial recognition access control systems. We collect customer data primarily through our Neighborhood Services mobile app. We obtain the consent of users upon their registration for our Neighborhood Services mobile app. By clicking the "I Agree" button, users authorize us to use their personal information according to the purpose, manner and scope agreed.

Access and Storage Data

Employees of any business department or city branch, when archiving newly-obtained data, shall (i) sign into the data system with their respective employee ID, and (ii) create operation history and an operation log for each new entry of data. Archived data cannot be revised at will. An employee may, after verification of valid identification documents to be provided by a customer, sign into the data system with his/her employee ID, update the customer's basic information, and thus create a new entry of operation history and an operation certificate. A customer may also revise her basic information in the system on her own after the verification of her valid legal documents or her cell phone number. Project data cannot be revised by logging into the system with an employee ID. A tamper-proof, anti-leakage, anti-attack and anti-virus data security system has been in place since the beginning of the Track Record Period by (i) the procurement of safe and reliable products and services, (ii) the adoption of data control and management measures, including but not limited to, user identification systems, behavior tracking systems and blacklists, and (iii) the adoption of data anti-leak system, terminal security access permission system, virus defense system and spam interception system to ensure the security of all kinds of internal information and customer data. In 2016, 2017, 2018 and the six months ended June 30, 2019, the expenses incurred in relation to our data protection systems, including purchase costs and maintenance fees, which was paid by Times China, amounted to RMB0.4 million, RMB1.1 million, RMB2.2 million and RMB0.4 million, respectively. Upon the Listing, we plan to bear the expenses of maintaining our data protection systems. The expected annual maintenance fee is around RMB0.5 million, which will not have any material impact on our business and results of operations.

Use of Data

Data shall not be shared if they are any one or more of the following: (i) data relating to customer privacy, (ii) personal information of our employees, (iii) data relating to our financials, and (iv) data relating to our projects. Such data may be shared only when (i) the sharing is practically necessary, (ii) application for the sharing is filed per our data sharing procedures, and (iii) the purpose of sharing is vetted by us and the scope of sharing is/will be strictly under control. Processing, sorting, management, and use of data shall be carried out in accordance with our data privacy and data security policies. The data management department and the business department have established a sound system for the management of use of confidential data, and closely manage the extraction, duplication, transmission, and destruction of data during the Track Record Period. We have introduced database confidentiality audit system and 4A security internal control platform to ensure the security of customer and system data and prevent unauthorized access. To the extent that any information to be shared involves confidential data, the data management department shall report the type, scope, and usage of the confidential data pursuant to our confidentiality management procedures, and the sharing of the confidential data is subject to approval. Upon approval and before the confidential data may be shared, a confidentiality agreement must be reached with the receiving party. In the event of any violation of our data management policies, or any abuse of customer data, we may, depending on the seriousness of the case, order the relevant persons and/or entities to rectify their actions, circulate a notice of criticism, impose certain disciplinary sanctions, or otherwise take legal actions against such persons and/or entities. For those persons and/or entities that violate relevant laws and regulations, we will take actions pursuant to the respective laws and regulations.

Data Retention Period

Before October 25, 2019, we retained customer information for unlimited time according to our internal policy. Subsequent to October 25, 2019, considering our rapid business expansion, we have changed our customer data retention policy to: (i) collect, store and use customer data for the term of the contract; and (ii) keep the relevant data for one year from the date of termination or expiration of the contract, after which the system will automatically delete such data in a manner that can avoid data leakage.

Given that (i) we collect and use the personal information of users with their consents; (ii) we only collect and use the personal information of users relevant to the services we provide; (iii) we have implemented strict penalty rules for violation of our data policies; and (iv) we have taken necessary technical measures including tamper-proof, anti leakage, anti-attack, terminal security access permission, spam interception and anti-virus data security systems to ensure information security, our PRC Legal Advisors have advised us that we are in compliance with the relevant PRC laws and regulations with respect to personal data collection and usage. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material data privacy breach, leakage or dispute.

RESEARCH AND DEVELOPMENT

In order to reduce our reliance on manual labor and improve our overall competitiveness, we strive to employ technological solutions and automate our key business operations as much as possible. For instance, one of our major initiatives was the establishment of the technology research and development center during the Track Record Period.

Personnel

Our research and development center is committed to providing one-stop modern management solutions for our property management service. As of June 30, 2019, we had a research and development center consisting of 36 personnel, most of whom had college degrees or above. Our research and development team is primarily responsible for the development and maintenance of, among others, our Neighborhood Services mobile app, our internal IT systems and software development services for third parties.

Efforts

Leveraging our technical strength in software development and our vision in modern property management industry, we have developed a series of management software ranking in the forefront of the property management industry. Such software, such as the visitor appointment system, created an online network that automized and standardized the property management services in a paper-free work environment, and therefore enabled us to simplify the complex business procedure, reduce repetitive human labor, and thus lower the direct labor costs and the overall cost of property management service. In addition to software and equipment, we have also explored opportunities on a variety of technical platforms. For example, we developed an online property sales system for Times China Group, an important sales channel for Times China Group which allows its employees, property owners, second-hand property realtors and people within their network to win commissions by selling new properties developed by Times China Group. As of the Latest Practicable Date, there were over 380,000 registered users on the online property sales system. In addition to Times China Group, we have entered into strategic cooperation relationships with other property management companies and other customers to help develop various systems, such as property management system and/or IT system to facilitate their operation.

We have also cooperated with third-party manufacturers to develop and customize equipments for various business purposes. We have developed the first self-service terminal in the property management industry which provides a variety of services with 7x24 hours of uninterrupted operation. We have also developed a property fee charging POS that eliminated the drawbacks of traditional card-sweeping charging and realized the seamless connection between the systems with easy navigation.

Expenditure

For the years ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019, our total expenditure for research and development amounted to RMB4.0 million, RMB3.9 million, RMB2.2 million and RMB1.7 million, respectively.

CUSTOMERS AND SUPPLIERS

Customers

Our customer base primarily includes property developers, property owners and residents and governmental authorities. The table below sets forth the types of our major customers for each of our business lines.

Business Line	Major Customers
Property management services	Property developers, owners and residents
Value-added services to non-property owners	Property developers
Community value-added services	Property developers, owners and residents and third-party vendors
Other professional services	Property developers, owners and residents

Our largest customer accounted for 32.3%, 23.4%, 31.1% and 26.8% of our total revenue for the year ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019. Our top five customers accounted for 34.0%, 26.4%, 34.2% and 29.4% of our total revenue for the year ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019, respectively.

The table below sets forth details of our top five customers in the six months ended June 30, 2019:

Rank	Customer	Background Information	Services Provided by Us	Sales Amount	Percentage of Total Revenue	Relationship with Our Group	Commencement of Business Relationship	Credit Terms
				(RMB'000)				
1.	Customer A (Times China Group)	A major real estate developer in China	Property Management Services, value-added services to non-property owners and other professional services	122,254	26.8%	Connected Person	Since 1998	By month or quarter
2.	Customer B	A district-level tax bureau in Guangzhou	Property Management Services	3,256	0.7%	Independent Third Party	Since 2019	By month
3.	Customer C(1)	A company based in Guangzhou focusing on real estate development, property management and property agency services	Value-added services to non-property owners	2,974	0.7%	Connected Person	Since 2017	By month
4.	Customer D	A provincial-level water resources department in the Greater Bay Area	Property Management Services	2,667	0.6%	Independent Third Party	Since 2019	By month
5.	Customer E(2)	A company based in Qingyuan focusing on real estate development, property management and property agency services	Value-added services to non-property owners	2,588	0.6%	Connected Person	Since 2017	By month
Sales to Top Five Customers				133,739	29.4%			

Notes:

(1) Times China held a 90.91% interest in Customer C. Pursuant to the share transfer agreement and articles of association, Times China Group and Customer C's independent third-party shareholder exercise joint control over Customer C, and Customer C is Times China Group's joint venture.

(2) Times China held a 90% interest in Customer E. Pursuant to the share transfer agreement and articles of association, Times China Group and Customer E's independent third-party shareholder exercise joint control over Customer E, and Customer E is Times China Group's joint venture.

The table below sets forth details of our top five customers in the year ended December 31, 2018:

Rank	Customer	Background Information	Services Provided by Us	Sales Amount	Percentage of Total Revenue	Relationship with Our Group	Commencement of Business Relationship	Credit Terms
				(RMB'000)				
1.	Customer A (Times China Group)	A major real estate developer in China	Property management service, value-added services to non-property owners and other professional services	216,558	31.1%	Connected Person	Since 1998	By month or quarter
2.	Customer F[(1)]	A third-party Japanese company that manufactures and sells elevators and escalators and provides maintenance services	Other professional services	9,390	1.4%	Independent Third Party	Since 2016	By installation progress
3.	Customer C[(2)]	A company based in Guangzhou focusing on real estate development, property management and property agency services	Value-added services to non-property owners	4,144	0.6%	Connected Person	Since 2017	By month
4.	Customer G[(3)]	A company based in Zhuhai focusing on real estate development and operation	Value-added services to non-property owners	4,046	0.6%	Connected Person	Since 2017	By month
5.	Customer E[(4)]	A company based in Qingyuan focusing on real estate development, property management and property agency services	Value-added services to non-property owners	3,789	0.5%	Connected Person	Since 2017	By month
Sales to Top Five Customers				237,927	34.2%			

Notes:

(1) Customer F was also one of our suppliers in 2016 and 2017. During the Track Record Period, we generated revenue from providing elevator services to Customer F. In addition, we also purchased elevators from Customer F in 2016 and 2017 due to the elevator purchase and installation projects secured before the acquisition of Joan Elevator. Our sales to Customer F amounted to RMB0.3 million, RMB8.6 million, RMB9.4 million and RMB0.9 million which constitutes 0.1%, 1.7%, 1.4% and 0.2% of total revenue, respectively, in 2016, 2017, 2018 and the six months ended June 30, 2019. Our purchase from Customer F amounted to RMB2.3 million and RMB0.5 million which constitutes 2.4% and 0.4% of total purchase, respectively, in 2016 and 2017. Our Directors confirmed that these transactions were based on commercial terms which were reached through negotiations on an arm's length basis.

(2) Times China held a 90.91% interest in Customer C. Pursuant to the share transfer agreement and articles of association, Times China Group and Customer C's independent third-party shareholder exercise joint control over Customer C, and Customer C is Times China Group's joint venture.

(3) Times China held a 50% interest in Customer G. Pursuant to the share transfer agreement and articles of association, Times China Group and Customer G's independent third-party shareholder exercise joint control over Customer G, and Customer G is Times China Group's joint venture.

(4) Times China held a 90% interest in Customer E. Pursuant to the share transfer agreement and articles of association, Times China Group and Customer E's independent third-party shareholder exercise joint control over Customer E, and Customer E is Times China Group's joint venture.

The table below sets forth details of our top five customers in the year ended December 31, 2017:

Rank	Customer	Background Information	Services Provided by Us	Sales Amount	Percentage of Total Revenue	Relationship with Our Group	Commencement of Business Relationship	Credit Terms
				(RMB'000)				
1.	Customer A (Times China Group)	A major real estate developer in China	Property management service, value-added services to non-property owners and other professional services	121,528	23.4%	Connected Person	Since 1998	By month or quarter
2.	Customer F	A third-party Japanese company that manufactures and sells elevators and escalators and provides maintenance services	Other professional services	8,645	1.7%	Independent Third Party	Since 2016	By installation progress
3.	Customer H[(1)]	A company based in Guangzhou focusing on real estate development and operation	Value-added services to non-property owners	2,526	0.5%	Connected Person	From 2010 to 2017	By quarter

Rank	Customer	Background Information	Services Provided by Us	Sales Amount	Percentage of Total Revenue	Relationship with Our Group	Commencement of Business Relationship	Credit Terms
				(RMB'000)				
4.	Customer I[(2)]	A company based in Zhongshan focusing on real estate development	Value-added services to non-property owners	2,243	0.4%	Independent Third Party	From 2016 to 2018	By quarter
5.	Customer J	A third-party institution based in Shenzhen providing vocational training, IT consultancy, software development and educational consultancy services.	Community value-added services	1,876	0.4%	Independent Third Party	Since 2017	By month
Sales to Top Five Customers				136,818	26.4%			

Notes:

(1) Times China held a 90.91% interest in Customer H. Pursuant to the share transfer agreement and articles of association, Times China Group and Customer H's independent third-party shareholder exercise joint control over Customer H, and Customer H is Times China Group's joint venture.

(2) Times China held a 49% interest in Customer I. Pursuant to the share transfer agreement and articles of association, Customer I is Times China Group's joint operation.

The table below sets forth details of our top five customers in the year ended December 31, 2016:

Rank	Customer	Background Information	Services Provided by Us	Sales Amount	Percentage of Total Revenue	Relationship with Our Group	Commencement of Business Relationship	Credit Terms
				(RMB'000)				
1.	Customer A (Times China Group)	A major real estate developer in China	Property management service, value-added services to non-property owners and other professional services	120,525	32.3%	Connected Person	Since 1998	By month or quarter

Rank	Customer	Background Information	Services Provided by Us	Sales Amount	Percentage of Total Revenue	Relationship with Our Group	Commencement of Business Relationship	Credit Terms
				(RMB'000)				
2.	Customer K	A prefecture-city level administration of power supply in Guangdong province	Other professional services	2,891	0.8%	Independent Third Party	From 2016 to 2017	By project progress
3.	Customer L[(1)]	A company based in Guangzhou focusing on real estate development	Value-added services to non-property owners	1,820	0.5%	Connected Person	Since 2016	By month
4.	Customer M[(2)]	A company based in Guangzhou focusing on real estate development, property management and property leasing	Value-added services to non-property owners	1,123	0.3%	Connected Person	Since 2013	By month
5.	Customer N	A third-party company based in Guangzhou providing information transmission, software and information technology services	Community value-added services	373	0.1%	Independent Third Party	Since 2016	By quarter
Sales to Top Five Customers				126,732	34.0%			

Notes:

(1) Times China held a 45% interest in Customer L. Pursuant to the share transfer agreement and articles of association, Times China Group and Customer L's independent third-party shareholder exercise joint control over Customer L, and Customer L is Times China Group's joint venture.

(2) Times China held a 30% interest in Customer M. Pursuant to the share transfer agreement and articles of association, Times China Group exercises significant influence in the strategic financial and operating policy decisions of Customer M, and Customer M is Times China Group's associate.

Except for Times China Group and its associates, all of our five largest customers during the Track Record Period were Independent Third Parties. During the Track Record Period and as of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders who, to the knowledge of our Directors, owned more than 5% of our issued share capital had any interest in any of our five largest customers other than Times China Group and its associates. As of June 30, 2019, we had on average nearly 6.6 years' relationship with our five largest customers. For further details on the transactions with Times China Group and its associates, see the section entitled "Connected Transactions" in this prospectus.

We generally grant our customers with credit terms of a period from 30 to 90 days and receive the payment in cash, through online or offline transfer, auto-pay debit or credit card or third-party mobile payment platforms such as WeChat and Alipay.

See "—Property Management Services—Property Management Service Contracts" in this section for the key terms of our service contracts with our customers.

Suppliers

We have established stable and long-term business relationship with most of our major suppliers. The table below sets forth the types of our major suppliers for business lines.

Business Line	Major Suppliers
Property management services	Sub-contractors providing cleaning, gardening and fire extinguishing system maintenance services
Value-added services to non-property owners	Sub-contractors providing gardening and cleaning services
Community value-added services	Advertising operators
Other professional services	Sub-contractors providing elevator and intelligent engineering services

Our largest supplier accounted for 4.6%, 5.7%, 7.0% and 4.5% of our total cost of sales for the year ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019. Our top five suppliers accounted for 15.3%, 18.6%, 21.7% and 13.3% of our total cost of sales for the year ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019, respectively. All of our top five suppliers are sub-contractors that provide cleaning, gardening and maintenance services.

The table below sets forth details of our top five suppliers in the six months ended June 30, 2019:

Rank	Supplier	Background Information	Services Purchased by Us	Purchase Amount	Percentage of Total Purchase	Percentage of total cost of sales	Length of Relationship with us	Credit Terms
				(RMB'000)			*(years)*	
1.	Supplier A	Cleaning services, road cleaning, landscaping and other project services	Cleaning	15,120	17.1%	4.5%	12	60 days
2.	Supplier B	Engineering environmental protection facilities construction	Cleaning	11,654	13.2%	3.5%	10	60 days
3.	Supplier C	Building cleaning and environmental services	Cleaning	8,071	9.1%	2.4%	3.5	60 days
4.	Supplier D	Engineering and technology research and experimental development	Cleaning	5,827	6.6%	1.7%	8	60 days
5.	Supplier E	Landscaping engineering services; pest control and rodent services	Cleaning	3,802	4.3%	1.1%	1	60 days
Purchase from Top Five Suppliers				44,474	50.3%	13.3%		

The table below sets forth details of our top five suppliers in the year ended December 31, 2018:

Rank	Supplier	Background Information	Services Purchased by Us	Purchase Amount	Percentage of Total Purchase	Percentage of total cost of sales	Length of Relationship with us	Credit Terms
				(RMB'000)			*(years)*	
1.	Supplier A	Cleaning services, road cleaning, landscaping and other project services	Cleaning	35,402	19.4%	7.0%	11.5	60 days
2.	Supplier C	Building cleaning and environmental services	Cleaning	30,258	16.6%	6.0%	3	60 days
3.	Supplier B	Engineering environmental protection facilities construction	Cleaning	29,140	16.0%	5.8%	9.5	60 days
4.	Supplier F	Afforestation construction services and other gardening services	Gardening	8,300	4.6%	1.6%	3	60 days
5.	Supplier D	Engineering and technology research and experimental development	Cleaning	6,491	3.6%	1.3%	7.5	60 days
Purchase from Top Five Suppliers				109,591	60.1%	21.7%		

The table below sets forth details of our top five suppliers in the year ended December 31, 2017:

Rank	Supplier	Background Information	Services Purchased by Us	Purchase Amount	Percentage of Total Purchase	Percentage of total cost of sales	Length of Relationship with us	Credit Terms
				(RMB'000)			*(years)*	
1.	Supplier A	Cleaning services, road cleaning, landscaping and other project services	Cleaning	22,119	16.2%	5.7%	10.5	60 days
2.	Supplier C	Building cleaning and environmental services	Cleaning	20,565	15.0%	5.3%	2	60 days
3.	Supplier B	Engineering environmental protection facilities construction	Cleaning	14,821	10.8%	3.8%	8.5	60 days
4.	Supplier D	Engineering and technology research and experimental development	Cleaning	8,064	5.9%	2.1%	6.5	60 days
5.	Supplier F	Afforestation construction services and other gardening services	Gardening	6,802	5.0%	1.7%	2	60 days
Purchase from Top Five Suppliers				72,371	52.9%	18.6%		

The table below sets forth details of our top five suppliers in the year ended December 31, 2016:

Rank	Supplier	Background Information	Services Purchased by Us	Purchase Amount	Percentage of Total Purchase	Percentage of total cost of sales	Length of Relationship with us	Credit Terms
				(RMB'000)			*(years)*	
1.	Supplier C	Engineering environmental protection facilities construction; building cleaning services	Cleaning	13,115	13.4%	4.6%	1	60 days
2.	Supplier A	Cleaning services, road cleaning, landscaping and other project services	Cleaning	13,005	13.3%	4.5%	9.5	60 days
3.	Supplier B	Building cleaning and environmental services; municipal road cleaning	Cleaning	8,898	9.1%	3.1%	7.5	60 days
4.	Supplier G	Construction of building construction; housing construction engineering design services	House repair projects	4,545	4.6%	1.6%	3	60 days
5.	Supplier D	Engineering and technology research and experimental development	Cleaning	4,182	4.3%	1.5%	5.5	60 days
Purchases from Top Five Suppliers				43,745	44.7%	15.3%		

All of our five largest suppliers during the Track Record Period were Independent Third Parties. During the Track Record Period and as of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders who, to the knowledge of our Directors, owned more than 5% of our issued share capital had any interest in any of our five largest suppliers. We do not have any long-term agreements with our top five suppliers. We typically enter into one-year agreements with our suppliers and renew them on an annual basis.

Our suppliers generally grant us credit terms of 60 days and payment to our suppliers are typically settled by bank transfers.

For the key terms of our service contracts with our major suppliers, see "—Sub-Contracting" in this section.

SUB-CONTRACTING

We outsource certain labor-intensive services and specialized or technical services, primarily including cleaning, gardening, fire extinguishing system maintenance services, wall-cleaning and a portion of our repair and maintenance services, to sub-contractors, which enables us to lower our operating costs, improve service quality and dedicate more resources to management and other value-added services. As of June 30, 2019, we engaged 269 sub-contractors to provide cleaning, gardening, fire extinguishing system maintenance services and pre-delivery cleaning services. Our sub-contractors specialize in the services they perform and, therefore, operate in an efficient manner. We believe such sub-contracting arrangements allow us to leverage the human resources and technical expertise of the sub-contractors, reduce our labor costs and enhance the overall profitability of our operations. For the year ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019, sub-contracting costs amounted to RMB64.3 million, RMB87.9 million, RMB123.1 million and RMB55.8 million, respectively, representing approximately 22.4%, 22.6%, 24.4% and 16.8% respectively, of our total cost of sales. During the Track Record Period, all of our sub-contractors were Independent Third Parties.

As of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders which, to the knowledge of our Directors, owned more than 5% of our share capital had any interest in any of our five largest sub-contractors.

Selection and Management of Sub-contractors

Our headquarters maintains a list of qualified sub-contractors. For each sub-contractor included in the list, we track its background, qualifications and past performance in providing sub-contracted services to us. Our list of qualified sub-contractors is subject to periodic review. Our subsidiaries and local branch offices shall cooperate with the sub-contractors selected and managed by our headquarters.

We typically engage our sub-contractors through competitive bidding process. We select competent sub-contractors from a list of qualified sub-contractors and send invitations for bids to at least three sub-contractors in such list in respect of each product and service. We assess the bids and consider a wide range of factors, including prices, quality and delivery time of its products or service, and professional qualifications and industry reputation.

After a selected sub-contractor commences to provide the contracted services, we monitor and evaluate its performance annually or on an as needed basis. The sub-contractors' record will also be updated from time to time based on such evaluations. In each review, each sub-contractor will be assigned a score. Different management measures will be taken against our sub-contractors according to their assigned scores. We will terminate the agreement with the sub-contractor who delivered repeated sub-standard performances and remove such sub-contractor from our list of qualified sub-contractors.

Key Terms of Our Sub-Contracting Agreement

- ***Scope of services:*** our sub-contracting agreements typically set out the scope of services. For example, a sub-contracting agreement for cleaning services may include the daily cleaning for the public areas and the professional cleaning for the water ponds and water tanks.

- ***Service Standards:*** the contracts generally set out specific standards for the main services provided by the sub-contractors. The contracts may also set out the frequency of certain types of services.

- ***Licenses and permits:*** our sub-contracting agreements may set out qualification requirement for the sub-contractor and its workers.

- ***Fees and payments:*** our sub-contracting agreements may provide either lump sum payment of the amount or payment by installment. The fees typically include the value-added taxes, and thus the suppliers are required to provide value-added tax invoices.

- ***Contracting party's obligations:*** the sub-contractors are obligated to meet the service standards set out in the contracts and comply with the related laws and regulations. The sub-contractors may be obligated to pay for the salaries and wages, labor insurance, and any other expense relating to their own employees. The sub-contractors may also be obligated to provide necessary training for their own employees.

- ***Contract term:*** the contracts usually have a fixed term of one year.

SALES AND MARKETING

Our sales and marketing team is primarily responsible for planning and developing our overall marketing strategy, conducting market research, organizing our sales and marketing activities and participating in tenders to obtain new contracts with third-party property developers and maintain and strengthen our relationships with existing customers. Our sales and marketing team also actively communicates with leading property management companies and takes initiative to participate in industry communication events to learn from the advanced marketing strategy in the industry.

As of June 30, 2019, we had a team of 57 sales and marketing personnel. Our total expenditure for sales and marketing amounted to RMB6.4 million, RMB7.4 million, RMB8.5 million and RMB4.7 million, respectively, for the year ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019.

QUALITY CONTROL

We believe quality control is crucial to the long-term success of our business and have prioritized quality in our service. As of June 30, 2019, we had a professional quality control team consisting of 60 members. Through both the online monitoring and off line supervision, our quality control team controls the quality of various aspects of our services, including customer service, security service, maintenance service and environment service.

We implement a comprehensive set of measures and policies to ensure the quality of the services we provide and we adhere to international standards in various aspects. In 2017, we obtained the GB/T 22080-2016 / ISO/IEC 27001:2013 Information Security Management System Certificate in relation to property management related information security management activity. In 2019, we obtained the ISO 9001:2015 IQNet Recognized Certificate in relation to our quality management system for our property management services, the ISO 14001:2015 IQNet Recognized Certificate in relation to our environment management system for our property management services, and the ISO 45001:2018 IQNet Recognized Certificate in relation to our occupational health and safety system for our property management services. Our Company implements all aspects of quality management in accordance with ISO 9001:2015 quality management standards, ISO 14001:2015 environmental management standards, ISO/ IEC 27001:2013 standards and ISO 45001:2018 occupational health and safety management standards.

Feedback and Complaint Management

During the ordinary course of our business operations, we receive feedback (such as report of loss of properties and request for repair of public facilities), suggestions and complaints from property owners and residents of the properties we manage from time to time regarding our services. We set up a national service hotline to manage our customer's feedbacks and complaints. We have also established internal procedures to record, process, respond to the feedback, suggestions and complaints, and conduct follow-up reviews of the results of our responses. For example, our internal procedure requires our employees to respond to customers' requests and complaints within ten minutes and solve the problems within a specified period of time. Our management system automatically upgrades the requests and complaints that are not addressed within the specified time to a higher level and send alarms to relevant employees for further solutions. We typically revisit our customers within 48 hours after their problems get resolved to ensure their satisfaction in our solutions and to restore their confidence in our services.

In order to provide better customer experience and enhance our customer service, we offer a national service hotline for residents living in the residential properties we manage. Through the hotline, our customers can inquire about our services and provide us with their complaints and feedback.

During the Track Record Period, we did not experience any customer complaints about our services or products that would have a material adverse impact on our operations or financial results.

Equipment Management

Our services and operations involve various equipment and facilities, such as elevators, fire extinguishing systems, cleaning tools and intelligent community devices, among other things. We regularly inspect and maintain such equipment and facilities as required by applicable laws, regulations and our internal requirements. Under relevant PRC laws and regulations, property management service providers are obligated to file for inspection of elevators timely. During the Track Record Period, two branch companies of our PRC subsidiaries failed to timely file for inspection of elevators in some properties under our management. We have adopted several enhanced internal control measures to avoid similar incidences in the future, such as (i) daily patrolling to identify any malfunction of the elevators beforehand, if any; (ii) designating a staff in each regional property management company to monitor elevator inspection; and (iii) developing and enhancing our equipment management system to reduce human errors. Our internal control consultant has reviewed these enhanced internal control measures and had not raised any additional recommendations as of the Latest Practicable Date. Taking into account the above, our Directors are of the view that the enhanced internal control measures are adequate and effective and that the relevant instances did not have a material adverse effect on our business operations or financial position during the Track Record Period. See "Risk Factors—Risks Relating to our Business and Industry—We may be involved in legal and other disputes and claims or subject to administrative actions from time to time arising out of our operations" in this prospectus. During the Track Record Period and up to the Latest Practicable Date, we have complied with the PRC laws regarding workplace safety in all material respects and there have been no incidents that have materially adversely affected our operations.

INTELLECTUAL PROPERTY

We regard our intellectual property rights as critical to our success. We primarily rely on laws and regulations on trademarks and trade secrets and our employees' and third parties' contractual commitments to confidentiality and non-competition to protect our intellectual property rights. As of the Latest Practicable Date, we had 39 copyrights for our self-developed software and 44 trademarks registered in the PRC and two patent approved by PRC State Intellectual Property Bureau. As of the Latest Practicable Date, we also had eight domain names.

As of the Latest Practicable Date, we were not aware of (a) any infringement which could have a material adverse effect on our business operations by our Group against any intellectual property rights of any third party or by any third party against any intellectual property rights of us, or (b) any disputes with third parties with respect to intellectual property rights.

Additionally, as of the date of this prospectus, Times Development Group licensed us 23 trademarks. For more information about our registered intellectual property and intellectual property applications, see "Appendix IV—Statutory and General Information" to this prospectus.

PROPERTIES

As of the Latest Practicable Date, we rented a total of 252 properties for use as office, staff dormitory and canteen in various locations in China with an aggregate GFA of approximately 36,447.7 sq.m. As of the Latest Practicable Date, we had not registered the lease agreements for 242 of our leased properties with the local housing administration authorities as required under applicable PRC laws, primarily due to (i) lack of cooperation from our landlords in registering the relevant lease agreements and (ii) the fact that title certificates and proofs of ownership were not obtained by our landlords for certain of our leased properties. Both (i) and (ii) were factors beyond our control. Our PRC Legal Advisors have advised us that we might be ordered to rectify this failure to register by competent authorities and if we fail to rectify within a prescribed period, a penalty of RMB1,000 to RMB10,000 per agreement may be imposed as a result. As of the Latest Practicable Date, we had not received any notice from any regulatory authority with respect to potential administrative penalties or enforcement actions as a result of our failure to file the lease agreements described above. Our PRC Legal Advisors have also advised us that the failure to register the lease agreements would not affect the validity of the lease agreements, and our Directors are of the view that such non-registration would not have a material adverse effect on our business operations or constitute a material legal obstacle for the Listing. See "Risk Factors—Risks Relating to Our Business and Industry—Some of our lease agreements have not been filed with the relevant PRC authorities and, as a result, we might be subject to administrative fines" in this prospectus.

As at the Latest Practicable Date, the lessors of 36.1% of our leased properties in the PRC with an aggregate GFA of approximately 13,143.9 sq.m. had not obtained or provided us with the relevant property title certificates they obtained or the proof of right to lease such properties. As advised by our PRC Legal Advisors, we are unable to ascertain whether the lessors have the legal right or requisite authority to lease such properties to us, whether such properties are subject to mortgages or third-party rights, or whether such leases are subject to challenge by third parties. Our Directors are of the view that, as the leased properties without building title certificates are mainly used for our canteens, staff dormitories and offices, and replacement premises are readily available, such defects will not have a material adverse effect on our business or financial condition taken as a whole.

As of the Latest Practicable Date, we did not own any real properties, and we had no single property with a carrying amount of 15% or more of our total assets. Therefore, we did not need to prepare a valuation report with respect to our property interests in reliance upon the exemption provided by Section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectus from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

AWARDS AND RECOGNITIONS

During the Track Record Period, we have received recognition for the quality and popularity of our products and services. A number of properties under our management have received awards in recognition of our service quality. For instance, eight properties under our management, including Guangzhou Times Garden (廣州時代花園) and Qingyuan Times Allure Park (清遠時代傾城頤景園), were rated as five-star communities by CIA. Guangzhou Times Garden (廣州時代花園) was also awarded as a national property management model residential community (全國物業管理示範住宅小區) by China Property Management Institute (中國物業管理協會). In addition, one property under our management was awarded as one of national-level property management model communities (國家級物業管理示範小區), eight properties under our management were awarded as provincial-level property management model communities (省級物業管理示範小區) and nine properties under our management were awarded as municipal-level property management model communities (市級物業管理示範小區). Some of the significant awards and recognition we have received are set forth below:

Award	Year(s)	Awarding Entity
• Top 100 Property Management Companies	2019	China Index Academy (中國指數研究院)
• Top 100 China Lending Property Management Companies in terms of Service Quality (中國物業服務百強服務質量領先企業)	2018, 2019	China Index Academy (中國指數研究院)
• 2019 Blue Chip Property Management Enterprise in China (2019年中國藍籌物業企業)	2019	Economic Observer (《經濟觀察報》) and Economic Observer Research Institute (經濟觀察報研究院)
• China Leading Property Management Companies in terms of Characteristic Services—Quality Residential Services (中國特色物業服務領先企業—品質住宅服務)	2019	China Index Academy (中國指數研究院)
• The top 100 property management companies of China (物業服務企業綜合實力測評TOP 100) (ranked 11th)	2018	China Property Management Institute (中國物業管理協會)
• Best Member of Guangdong Property Management Industry Association (廣東省物業管理行業協會最佳會員)	2018	Guangzhou Property Management Industry Association (廣州市物業管理行業協會)

Award	Year(s)	Awarding Entity
• Excellent Property Management Enterprise (物業管理先進單位)	2018	Guangzhou Hongmian Property Management Industry Association (廣州市紅棉物業管理行業協會)
• Top 100 property management companies in terms of overall strength (物業服務企業綜合實力測評TOP100)	2018	China Property Management Association (中國物業管理協會) and Shanghai Yiju Real Estate Research Institute China Real Estate Evaluation Center (上海易居房地產研究院中國房地產測評中心)
• Vice Chairman of the 6th Council of Guangzhou Property Management Industry Association (廣州市物業管理行業協會第六屆理事會副會長單位)	2018	Guangzhou Property Management Industry Association (廣州市物業管理行業協會)
• Property Management Enterprise—Outstanding Contribution Award (物業管理企業突出貢獻獎)	2018	Guangzhou Hongmian Property Management Industry Association (廣州市紅棉物業管理行業協會)
• Leading Property Management Company in China—Excellent Smart Community Operation (中國特色物業服務領先企業—智慧社區卓越運營能力)	2018	China Index Academy (中國指數研究院)
• Specialized Operation Leading Brand of China Properties Service Company (中國物業服務專業化運營領先品牌企業)	2017	China Index Academy (中國指數研究院)
• Specialized Operation Leading Brand of China Properties Service Company (中國物業服務專業化運營領先品牌企業)	2017	China Index Academy (中國指數研究院)

COMPETITION

The PRC property management industry is highly fragmented. Our major competitors include large national, regional and local residential property management companies, some of which may have better track records and greater financial and other resources, greater name recognition and greater economies of scale than us. We compete with our major competitors in relation to a number of factors, including primarily scale, brand recognition, financial resources, price, service quality and other factors. Our property management services primarily compete against large national and regional property management companies. According to CIA, we were ranked 13th among the Top 100 Property Management Companies in terms of overall strength in 2019. We believe that the principal competitive factors include, among others, operation scale, price and quality of services, brand recognition and financial resources.

According to CIA, the growth of the PRC property management industry is attributable to key drivers such as the rising demand for property management service, the increasing supply of commodity properties and favorable government policies. China's rapid economic development in recent years has resulted in increasing urbanization, the formation of a middle-to high-income class of consumers and continuous growth in the per capita disposable income for the urban population. We expect that the aforementioned middle-to high-income class of consumers will be more willing to pay premiums for quality and increase their discretionary spending on goods and services beyond basic necessities, including the high quality property management service. In addition, rapid urbanization in China has increased the supply of commodity properties to which we may provide property management services and satisfy that demand.

In line with these trends, the GFA under management for, and the number of properties managed by, the Top 100 Property Management Companies has increased. Average revenue for the Top 100 Property Management Companies has therefore increased to RMB886.2 million in 2018 from RMB627.8 million in 2016, representing a CAGR of 18.8%. We primarily compete against the Top 100 Property Management Companies, particularly those affiliated with reputable property developers in China. According to CIA, Times China Group's strong reputation and steady growth provide a strong foundation for our own advancement. However, during the Track Record Period our percentage of GFA under property management for properties developed by Times China Group has decreased, while our percentage of GFA under property management for properties developed by third-party property developers has increased. This demonstrates that while we are able to enjoy the support of an affiliate, we are also capable of identifying and taking advantage of market opportunities independently.

We believe that we are able to continue competing with other industry players due to our competitive strengths. Our strengths are also enhanced by our position as an established market player with strong brand reputation, abundant capital resources, quality of management and availability of talent and technical expertise, all of which are entry barriers for new market entrants, according to CIA. See "Industry Overview" and "Risk Factors—Risks Relating to Our Business and Industry—We are in a highly competitive business and we may not compete successfully against existing and new competitors" in this prospectus.

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

We are subject to PRC laws on labor, safety and environmental protection issues and regularly provide workplace safety training to our employees to enhance their work safety awareness. See "—Employees" in this section.

We consider the protection of the environment to be important and have implemented measures in the operation of our businesses to ensure our compliance with all applicable requirements. Given the nature of our operations, we do not believe we are subject to material environmental liability risk or compliance costs. During the Track Record Period and up to the Latest Practicable Date, no fines or penalties for non-compliance of PRC environmental laws had been imposed on us, and we have not been subject to any material administrative penalties due to violation of environmental laws in the PRC.

EMPLOYEES

We strive to build a caring workplace which emphasizes on employees' well-being and sense of belonging, pays attention to employees' daily needs, organizes a variety of employee activities to facilitate collaboration and provides continuous trainings to foster the employees' long-term professional development. Our typical labor contracts with employees, mostly on a fixed term basis, usually specify the working location, scope of work, working hours, wages, employee benefits, confidentiality obligations and termination clause. We typically assess the renewal of each labor contracts based on the performance appraisal of relevant employees before the termination of such contracts. The remuneration packages for our employees generally includes salaries and bonuses. We determine employee remuneration based on factors such as qualifications and years of experience. Employees also receive welfare benefits, including medical care, retirement benefits, occupational injury insurance and other miscellaneous items.

As of June 30, 2019, we had a total of 7,890 full time employees. The breakdown by function is as follows:

Function	Number of employees
Management	28
Engineering	790
Customer Service	1,782
Cleaning and Gardening	1,227
Customer Assistant	3,554
Finance	97
Quality	132
Human Resources	149
Technology Research and Development	34
Marketing and Sales	72
Others(1)	25
Total	**7,890**

Note:

(1) Primarily includes employees working in the internal audit and investigation department, tender and procurement department, and mid-to-long term project management department.

Recruiting

To attract and retain talents, we formulate and regularly update the recruitment standards for each position according to the needs for our business development and constantly seek opportunity to expand our recruitment channels. In addition to the traditional recruitment channel, including the talent market recruitment, the network recruitment and internal recommendation, we focus on promoting the following innovative recruitment channels:

- ***School-enterprise alliance (校企聯盟)***: we have entered into cooperation agreements with colleges and universities to set up diversified programs. For example, we set up Times Class (時代班) in some of colleges and universities to provide customized training courses and promote our corporate culture. We believe the Time Class (時代班) can equip its graduates with not only knowledge and skills tailored to our demand but also a better understanding of our corporate culture, thus prepares its graduates to quickly adapt to our workplace. Take another example, some of the colleges and universities arrange students to work with us under a fixed-term internship program, during which students can obtain on-job training and learn about our corporate culture. Students with satisfactory performance during the internship may receive full-time job offers by the end of the internship. School-corporate alliance promotes our corporate culture and optimizes the talent structure of entry-level positions by attracting excellent talents tailoring to our demand.

- ***The "New Neighborhood Elites" (鄰里新菁英)***: The New Neighborhood Elites targets top talents from 211/985 colleges and other leading educational institutions. We recruit graduates from those institutions through campus recruitment to build up a reserve for our management personnel.

Training

In 2012, we established the Times Neighborhood College (時代鄰里學院) to cultivate professional talents and excellent management cadres. The Times Neighborhood College offers a professional track over a full-time career cycle with professional and first-class talent training system to support the long-term development of the on-track employees, which includes:

- ***Orientation trainings for new employees***: we provides various online courses and offers in person training sessions for our new employees to learn about our corporate culture. We also organize in person meetings with senior management for the new employees to improve employees' understanding of our strategic planning and enhance employees' sense of belonging.

- ***Professional trainings for all employees***: to enhance the professional skills of our employees, we provide our employees with trainings targeting the need of their positions. The training programs are fine-tuned into various modules, including property modules, functional modules, intelligent modules, and Internet e-commerce modules, each targeting a specific area of professional skills. We have also established an assessment system to assess the skills of our employees, provide feedback to our employees' performance and provide basis for the promotion and pay rise of our employees.

- ***The "New Elites Training Program" (新菁英培訓項目) for our future talent reserve***: we have established collaboration program with universities to provide tailor-made training and internship opportunities. Graduates who participated in the New Elites Training Program can enroll in training courses taught by instructors, typically our backbone employees with extensive experience, take part in job rotation internship and participate in project competition, all of which help them develop professional skills and general skills. The New Elites Training Program also provides lectures in which our executive management members share their insights of the industry so that students can understand industry trends. We expect students who participate in the New Elites Training Program can have an in-depth understanding of our Company and the industry and will contribute to our talent reserve in the future.

- ***Leadership trainings for our management***: in order to enhance management leadership, we will carry out a series of training courses, such as the Era Brigadier (時代儲將), the Era Major-general (時代新將), the Era Lieutenant (時代中將), and the Era Admiral (時代上將), which provide management skills and professional skills training for the Company's management reserve and junior, mid-level and senior management personnel, respectively, to improve their management capabilities.

The Times Neighborhood College regularly provides various activities such as case sharing, learning and communication with other leading companies in the industry and professional skill competitions to facilitate communication among our employees and enhance collaboration between our employees and other companies in the industry. We expect such activities, as well as other programs provided by the Times Neighborhood College can enlighten our employees, equip them with a broader vision and promotes innovation.

Corporate Culture

We have cultivated a corporate culture that is widely recognized and embraced by our employees and customers. We strive to "let more people enjoy a better life (讓更多人享受美好生活)" and adhere to the philosophy of "care for your life (用心呵護你一生)."

We value "integrity, efficiency, transformation, innovation" and have launched monthly learning sessions and sharing sessions to promote our corporate culture. We intend to set up a cultural propaganda team to provide trainings to our employees. We believe the corporate culture trainings will align the interest of our employees with the interest of the Company to achieve the common goals.

In addition, we strive to establish a performance-oriented and innovation-encouraging corporate culture and encourage our employees to show their talents by carrying out a variety of corporate culture activities, such as sports games, talent shows and professional skills competition.

Disputes and Non-compliance

We have maintained good working relationships with our employees. During the Track Record Period, no significant labor disputes occurred which materially and adversely affected our business or were likely to have an material adverse effect on our business.

CASH MANAGEMENT POLICY

We have a bank account and cash management system to manage the cash inflows and outflows of our subsidiaries and branches in their ordinary course of business. We require cash above RMB1,000 to be deposited on daily basis, take a daily stock of the bank accounts, check the cash balance and reconciliate the accounts daily and monthly to lower the risks associated with cash management. Furthermore, we require our subsidiaries and branches to settle their transactions through bank transfers to enhance the safety of funds management.

Our customers can make payments of property management fees, deposits or service fees in cash, through bank transfer and POS collection, or via third-party online payment platforms including WeChat Pay and Alipay. Our relevant personnel are recommended to guide our customers to use the non-cash payment due to the risk of cash management.

Cash flow transactions	Cash handling policies and internal control measures
Payments of property management fees from property owners and residents to our subsidiaries and branches	We require our subsidiaries and branches to deposit all cash received in their bank accounts in a timely manner. We check the bank account balances of our subsidiaries and branches on a regular basis.
Cash transfers from our subsidiaries' and branches' bank accounts to our centralized bank account	We transfer the cash deposited in the bank accounts of our subsidiaries and branches to our centralized bank account monthly through a bank-corporation direct transfer channel.
Cash transfers from our centralized bank account to the bank accounts of our subsidiaries and branches	We transfer cash from our centralized bank account to our subsidiaries and branches once our management team have reviewed and approved the cash budgets and plans proposed by our subsidiaries and branches.

Cash flow transactions	Cash handling policies and internal control measures
Payments made to suppliers, service providers and sub-contractors of our subsidiaries and branches	Payments by our subsidiaries and branches to their suppliers, service providers and sub-contractors shall be pre-approved by the responsible supervising personnel at a higher level. Once approved, such payments shall be made directly from the bank accounts of our subsidiaries and branches.
	We check and monitor the bank account balances and balances of cash on hand of our subsidiaries and branches on a regular basis.
	We require our subsidiaries and branches to conduct daily check and monthly reconciliation to identify any discrepancy among their bank account balance, cash on hand and internal accounting system on a timely basis. Any discrepancy will be analyzed and resolved timely.
	Various levels of management approve payment applications according to the authority assigned to them by our internal manual.

INSURANCE

We maintain pension insurance, medical insurance, maternity insurance, work injury insurance and unemployment insurance, which are mandatory under PRC laws. We also maintain employer responsibility insurance for some employees, which are not mandatory under PRC laws. We believe our insurance coverage is ahead of, or at least in line with, the general market practice in the PRC. During the Track Record Period, we did not make any material insurance claims in relation to our business. See "Risk Factors—Risks Relating to Our Business and Industry—Our insurance coverage may not sufficiently cover the risks related to our business" in this prospectus.

RISK MANAGEMENT AND INTERNAL CONTROL

We have implemented various risk management policies and measures to identify, assess and manage risks arising from our operations. We have incorporated details of the risk categories identified by the management of internal and external reporting mechanisms, risk event remediation measures and incidents into our policies. See "Risk Factors—Risks Relating to Our Business and Industry" in the prospectus. Key objectives of our risk management include: (i) identifying the different risks related to our operations; (ii) evaluating and managing the identified risks; (iii) developing appropriate risk management strategies for the identified risks; (iv) monitoring and managing the identified risks and determining the level of risks we can tolerate; and (v) implementing measures to reduce the identified risks.

In preparation for the Global Offering, we have engaged an independent internal control consultant to review our internal control system, which mainly covers the following aspects of control and procedures: our services, supplier management, cash management, compensation management, finance and accounting, tax management, information technology systems, insurance, occupational health and safety, protection and other general control measures.

Our internal control consultant proposed various rectification and improvement measures for our internal control system based on its findings. Meanwhile, we have implemented rectification and improvement measures to respond to the findings and recommendations. The internal control consultant has also completed the follow-up with the remedial and improvement measures implemented by us as scheduled; and we have not received any additional recommendations from the internal control consultant. In summary, our Directors and the Sole Sponsor believe that enhanced internal control measures are sufficiently effective in terms of our current business environment.

LICENSES AND PERMITS

We are required to obtain various licenses, permits and certifications for our operations. As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we had been duly licensed to conduct the business as disclosed in this prospectus. There is no evidence that any of the relevant authorities is considering to modify, suspend or revoke our certificates, licenses and permits in force.

The table below sets forth our licenses and permits relating to our operations in the relevant jurisdictions as of the date of this prospectus:

Certification/License/ Permit	Holder	Jurisdiction	Grant Date	Expiration Date
Municipal sanitation certificate (Level C)	Guangzhou Times Property Management	PRC	March 14, 2018	February 7, 2021
Municipal sanitation certificate (Level A)	Guangzhou Dongkang	PRC	July 26, 2019	March 25, 2022
Cleaning, collection & transportation license of municipal domestic garbage	Guangzhou Dongkang	PRC	March 15, 2019	March 31, 2022

Certification/License/ Permit	Holder	Jurisdiction	Grant Date	Expiration Date
Labor dispatch business license	Guangzhou Dongkang	PRC	July 22, 2019	June 9, 2021
Food business license	Guangzhou Dongkang Dongtu restaurant branch	PRC	April 4, 2018	April 3, 2023
High-tech enterprise license	Guangzhou Neighborhood Intelligent	PRC	November 28, 2018	November 27, 2021
Construction enterprise certificate	Guangzhou Neighborhood Intelligent	PRC	June 26, 2018	April 2, 2023
High-tech enterprise license	Guangzhou Times Linlibang	PRC	November 30, 2016	November 29, 2019[(1)]
Food business license	Guangzhou Times Linlibang	PRC	January 21, 2016	January 20, 2021
Installation, Alteration, Repair & Maintenance License of Special Equipment	Joan Elevator	PRC	January 29, 2019	February 1, 2023

Note:

(1) We have submitted the application for renewal. Guangzhou Times Linlibang was included in the list of companies proposed to be qualified as high-tech enterprise in Guangdong Province in 2019 (廣東省2019年第三批擬認定高新技術企業名單) published by the National high-tech enterprise qualification management working group (全國高新技術企業認定管理工作領導小組辦公室) on December 2, 2019.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

Legal Proceedings

We are involved in legal or other disputes in the ordinary course of business in the jurisdictions in which we operate. Most of the legal proceedings initiated by us involve contractual claims against our clients. The legal proceedings against us primarily include labor claims brought by our employees. During the Track Record Period and up to the Latest Practicable Date, none of our Directors was involved in the above claims and proceedings.

During the Track Record Period and up to the Latest Practicable Date, there were no litigation or arbitration proceedings or administrative proceedings pending or threatened against us or any of our Directors, which would have a material adverse effect on our business, financial position or results of operations.

Historical Non-compliance Incidents Regarding Social Insurance and Housing Provident Funds

As advised by our PRC Legal Advisors, we had not been subject to any material fines or legal actions involving non-compliance with any PRC laws or regulations relating to our business during the Track Record Period and up to the Latest Practicable Date. Below summary sets out incident of historical non-compliance with applicable regulations during the Track Record Period. Our Directors believe that below non-compliance incidence will not have any material operational or financial impact on us.

Background for non-compliance incident

During the Track Record Period, our Company and some of our PRC subsidiaries and branch offices failed to register for and/or make full contribution to the social insurance and housing provident funds for some of our employees as required under PRC law.

Reasons for the non-compliance

These non-compliance incidents were primarily because: (i) some of our employees, which constitute our large basis of labor force with high mobility, providing security, repair, maintenance and customer service, prefer not to contribute to the social insurance and housing provident funds; (ii) some migrant workers who have purchased new rural insurance at their residences requested us not to pay to social insurance and housing provident funds for them; and (iii) we failed to pay social insurance and housing provident funds for some of our employees to the designated accounts as required by applicable laws and regulations because they maintained active social insurance accounts within our Group in other cities as a result of our effort to better manage our employees' social insurance accounts, and we are therefore unable to pay social insurance and housing provident funds for them in cities where they are working currently.

Legal consequences and potential maximum penalties

According to the relevant PRC laws and regulations, if we fail to pay the full amount of social insurance contributions as required, (i) the relevant PRC authorities may demand us to pay the outstanding social insurance contributions within a stipulated deadline and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay; if we fail to make such payments, we may be liable to a fine from one to three times to the amount of the outstanding contributions; and (ii) in respect of outstanding housing provident fund contributions, we may be ordered to pay the outstanding housing provident fund contributions within a prescribed time period. If the payment is not made within such time limit, an application may be made to PRC courts for compulsory enforcement. In addition, we will be fined RMB10,000 to RMB50,000 for failing to make the housing provident fund registration within the prescribed time limit.

Our Directors believe that such non-compliance would not have any material and adverse effect on our business and results of operations, considering that: (i) during the Track Record Period and up to the Latest Practicable Date, we had not received any notifications from the relevant PRC authorities requiring us to pay material shortfalls or the penalties with respect to social insurance and housing provident funds; (ii) we have not been subject to any administrative penalties during the Track Record Period and up to the Latest Practicable Date; (iii) we were not aware of any material employee complaints nor were involved in any material labor disputes with our employees with respect to social insurance and housing provident funds during the Track Record Period and up to the Latest Practicable Date; (iv) we have made provisions for the shortfall in the total amount of RMB2.5 million, RMB4.7 million, RMB5.4 million and RMB5.6 million, respectively, on our financial statements in respect of such potential liabilities in 2016, 2017, 2018 and the six months ended June 30, 2019; (v) Our Company and a vast majority of our PRC subsidiaries and branch offices have obtained written or oral confirmations from local social insurance and housing provident funds authorities, each stating that: no administrative penalty has been imposed during the Track Record Period. We are advised by our PRC Legal Advisors that the relevant written and oral confirmations were issued or made by the competent authorities; and (vi) our Ultimate Controlling Shareholders have undertaken that in the event that we receive requests from the relevant authorities to pay the overdue social insurance and housing provident funds contributions, or that we are required to pay any late charges or penalties as a result of such overdue contributions, they will indemnify us the overdue contributions and any late charges and penalties imposed by the relevant authorities.

In view of above, our PRC Legal Advisors advised that our aforementioned failure to register for and/or make full contributions to the social insurance and housing provident funds for our employees does not constitute a material legal obstacle for the Listing.

We have taken the following rectification measures to prevent future occurrences of such non-compliances:

- ***Review and record-keeping***. We have established an internal control policy that requires full compliance with the relevant laws and regulations on social insurance and housing provident funds and designating an officer who is familiar with the relevant laws and regulations on social insurance and housing provident funds to enforce our internal control policy and avoid future non-compliance. Our human resources staff will monitor the payment status and regularly prepare reports regarding our contribution amounts to our Board for review;

- ***Training***. Conducting internal trainings for our Directors, members of senior management and certain employees on the relevant laws and regulations on social insurance and housing provident funds. Formulating and distributing to our employees the internal control policy with respect to social insurance and housing provident funds contribution in compliance with relevant PRC laws and regulations, which we started to implement;

- ***Increasing awareness of developments in the law***. Regularly keep abreast of latest developments in PRC laws and regulations in relation to social insurance and housing provident funds and communicating with government agencies to ensure that our calculation and payment methods are in compliance with the relevant laws and regulations;

- ***External counsel***. Regularly consulting external counsel to understand whether we are at risk of non-compliance with laws and regulations in relation to social insurance and housing provident funds.

OVERVIEW

Immediately upon completion of the Spin-off, assuming the Reserved Shares under the Preferential Offering are fully taken up by Qualifying Times China Shareholders, Asiaciti Enterprises, which is owned as to 60% by Renowned Brand and 40% by East Profit, will directly own approximately 56.06% of the issued share capital of our Company. Renowned Brand is wholly owned by Mr. Shum and East Profit is wholly owned by Mr. Shum's spouse, Ms. Li Yiping. As a result, Asiaciti Enterprises, Renowned Brand, East Profit, Mr. Shum and Ms. Li Yiping constitute a group of our Controlling Shareholders.

Each of Asiaciti Enterprises, Renowned Brand, East Profit is an investment holding company.

DELINEATION OF BUSINESS

Our Group engages principally in the provision of property management and related services. Other than our Group, our Controlling Shareholders have invested in the businesses of property development, urban redevelopment and property leasing through Times China Group.

Upon completion of the Spin-off, Asiaciti Enterprises will be interested in four companies (the "**Relevant Entities**") that are engaged in the business of redevelopment or refurnishing of commercial properties on collectively owned land (集體用地) (the "**Redeveloped or Refurnished Properties**") and the leasing of such commercial properties from their landlords for sub-leasing to sub-lessees. There will also be provision of property management services to the Redeveloped or Refurnished Properties by the Relevant Entities.

Three of the Relevant Entities, namely (a) Guangzhou Times Commercial Management Co., Ltd. (廣州市時代商業管理有限公司), (b) Guangzhou Chengze Technology Business Incubator Co., Ltd. (廣州市承澤科技企業孵化器有限公司), and (c) Guangzhou Jiayu Investment Co., Ltd. (廣州佳裕投資有限公司), are indirect subsidiaries of Times China. Although Times China has a 51% interest in the fourth one, namely Guangzhou Yungu Technology Investment Co., Ltd. (廣州雲谷科技創業投資有限公司), its results are not consolidated by Times China given the board of such company is not controlled by Asiaciti Enterprises.

The Relevant Entities lease properties built on collective owned land in Guangzhou from Independent Third Parties, redevelop or refurnish and then sublease those properties to the Independent Third Parties. Meanwhile, the Relevant Entities also provide property management services to the sub-lessees. They receive rental and property management fees from the sub-lessees. Such business model is distinct from that of our Group, in particular the property management services provided by our Group in respect of urban redevelopment projects. Our Group is engaged by property developers such as Times China Group and other independent third-party property developers which are involved in the redevelopment of old towns, old factories and old villages pursuant to redevelopment policies in the PRC. The property developers engaged in such projects are involved in the process of preparing pieces of land to meet conditions ready for public tender or auction (which typically include the removal of existing structures, clearing the site and installing basic infrastructure to facilitate property development thereon), furthered by the acquisition of the relevant land parcels from the government through government auction or public selection processes, to facilitate the redevelopment of the residential buildings in these areas through the construction of new residential properties on the lands concerned. Our Group provides property management services to these property developers through the provision of cleaning and security services, as well as interim tenant management and rental collection services as necessary in the event the land parcels are let out for specific interim purposes before the construction work commences. As a result, due to the different customers and nature of services involved, the business of the Relevant Entities is different from the urban redevelopment services provided by our Group.

Based on the management accounts of the Relevant Entities, for the three years ended 31 December 2018, the property management fee received by the Relevant Entities was approximately RMB1.3 million, RMB3.3 million and RMB13.1 million, respectively.

We have not provided any property management services to the Redeveloped or Refurnished Properties and have no plan to provide services to such kind of properties. Asiaciti Enterprises intends to procure the Relevant Entities not to provide any property management services except in relation to the Redeveloped or Refurnished Properties in the future.

Given the Relevant Entities did not and do not have plan to manage properties other than the Redeveloped or Refurnished Properties, there is clear delineation between the business operations of our Group and those of the companies controlled by our Controlling Shareholders and there will be no direct or material competition between our Group and the companies controlled by our Controlling Shareholders upon completion of the Spin-off. To ensure that competition will not exist in the future, each of our Ultimate Controlling Shareholders has entered into the Deed of Non-Competition in favor of our Company to the effect that each of them will not, and will procure each of their respective Close Associates (as defined below) not to, directly or indirectly participate in, or hold any right or interest, or otherwise be involved in any business which may be in competition with our business, further details of which are set out in "—Deed of Non-Competition" in this section.

As of the Latest Practicable Date, none of our Controlling Shareholders, our Directors and their respective close associates had any interest in any other business which competes or is likely to compete, either directly or indirectly with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

We believe that we are capable of carrying on our business independently of our Controlling Shareholders and their respective associates (other than our Group) after Listing for the following reasons:

Management Independence

Our Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors. Only two of our non-executive Directors, namely Mr. Bai Xihong and Mr. Li Qiang, are executive directors of Times China. Mr. Bai Xihong and Mr. Li Qiang are not actively involved in the day-to-day management and business operations of our Group.

Each of the Directors is aware of his/her fiduciary duties as a Director, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and any of the Directors or their respective close associates, the interested Directors shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum. In addition, we have an independent senior management team to carry out the business operation of our Group independently from our Controlling Shareholders and their respective associates.

Based on the reasons above, our Directors are of the view that our Group is capable of managing our business independently from our Controlling Shareholders and their respective associates following the completion of the Spin-Off.

Operational Independence

We have full rights, hold and enjoy the benefit of all relevant licenses material to the operation of our business. We are of the view that we have sufficient capital and employees necessary to make all decisions on, and to carry out, our own business operation independent from our Controlling Shareholders and their respective associates and will continue to do so after Listing.

The majority of our revenue is from customers who are third-party property owners or third-party property developers independent from our Controlling Shareholders or their respective associates. For the six months ended June 30, 2019, 68.7% of the revenue of our Group was generated from independent customers.

At the pre-delivery stage, our preliminary management contracts for property projects developed by Times China Group were secured mainly through a tender and bidding process conducted by Times China Group whereby tenders would be evaluated by a tender evaluation committee established by Times China Group in accordance with the Interim Measures for

Tender and Bidding Management for Preliminary Property Management (《前期物業管理招標投標管理暫行辦法》). The tender evaluation committee shall consist of an odd number of no less than five members, including at least a two-thirds majority of property management experts which are independent of our Group and the representative members from Times China Group, and selected on a random basis from a list of experts compiled by the local real estate administrative department. For details of the tender process, please refer to "Business—Property Management Service Contracts—Tender process" in this prospectus.

After the property owners' associations have been established by the property owners' general meeting, the property owners' associations can be authorized by the property owners' general meeting to enter into contracts with the property management service providers selected by the property owners' general meeting. Times China Group does not have any decisive influence over the selection (or replacement) of the property management service provider by individual property owners.

Since 2015, our Group has started to manage properties developed by independent third-party property developers. As of June 30, 2019, the total GFA under management pursuant to such type of projects was approximately 19.4 million sq.m., representing approximately 55.9% of our total GFA under management.

Licenses required for operation

We hold and enjoy the benefit of all relevant licenses and permits material to the operation of our business.

Access to customers

We conduct our own sales and marketing primarily through our own sales and marketing team. Our Group has a large and diversified base of customers that are unrelated to our Controlling Shareholders and/or their respective close associates.

Operational facilities

As of the Latest Practicable Date, we leased nine properties in Guangzhou from the associates of our Controlling Shareholders with a GFA of approximately 5,582.3 sq.m. mainly for office use. The total rent to be paid for the year ending December 31, 2019 under such lease will be approximately RMB2.3 million. Save as disclosed above, all the properties and facilities necessary for our business operations are independent from our Controlling Shareholders and their respective associates.

Employees

As of the Latest Practicable Date, all of our full-time employees were recruited independently from our Controlling Shareholders and their respective associates and primarily through talent market recruitment, the network recruitment and internal recommendation.

Connected transactions with our Controlling Shareholders

The section headed "Connected transactions" in this prospectus sets out the continuing connected transactions between our Group and our Controlling Shareholders or their associates which will continue after the completion of the Spin-off. All such transactions are determined after arm's-length negotiations and on normal commercial terms. Save for the continuing connected transactions set out in "Connected transactions" in this prospectus, our Directors currently do not expect that there will be any other connected transactions between our Group and our Controlling Shareholders or their respective associates upon or shortly after the completion of the Spin-off.

As such, we expect that we will be able to maintain the aggregate amounts of the continuing connected transactions with our Controlling Shareholders at a reasonable percentage with respect to our total revenues after the Listing. Accordingly, such continuing connected transactions are not expected to affect our operational independence as a whole.

Financial Independence

As of the Latest Practicable Date, (i) our Group did not have amount of non-trade nature due from and to Times China Group and (ii) our Group had not provided any guarantee in respect of any loans of our Controlling Shareholders and their respective close associates and vice versa.

In addition, we have our own internal control and accounting systems, accounting and finance department, independent treasury function for cash receipts and payment and independent access to third party financing. Accordingly, we believe we are able to maintain financial independence from our Controlling Shareholders and their respective associates.

DEED OF NON-COMPETITION

Each of our Ultimate Controlling Shareholders has unconditionally and irrevocably undertaken to us in the Deed of Non-Competition that he/she will not, and will procure his/her Close Associates (as defined below) not to directly or indirectly be involved in or undertake any business (other than our business) that directly or indirectly competes, or may compete, with our business, being the provision of property management services, value-added services, community value-added services and other professional services (collectively referred to as the "**Restricted Businesses**"), or hold shares or interest in any companies or business that compete directly or indirectly with the business engaged by our Group from time to time, or conduct any Restricted Businesses, except where our Ultimate Controlling Shareholders and their Close Associates (as defined below) hold less than 5% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange) (excluding Times China Group) which is engaged in any business that is or may be in competition with any business engaged by any member of our Group and they do not possess the right to appoint 10% or more of the directors of such company.

Further, each of our Ultimate Controlling Shareholders has undertaken that if any new business investment or other business opportunity relating to the Restricted Businesses (the "**Competing Business Opportunity**") is identified by or made available to him/her or any of his/her Close Associates (as defined below), he/she shall, and shall procure that his/her Close Associates (as defined below) shall, refer such Competing Business Opportunity to our Company on a timely basis by giving written notice (the "**Offer Notice**") to our Company within 30 business days of identifying such Competing Business Opportunity, the nature of the Competing Business Opportunity, the investment or acquisition costs and all other details reasonably necessary for our Company to consider whether to pursue such Competing Business Opportunity.

Upon receiving the Offer Notice, our Company shall seek approval from a board committee comprising independent non-executive Directors who do not have an interest in the Competing Business Opportunity (the "**Independent Board**") as to whether to pursue or decline the Competing Business Opportunity (any Director who has actual or potential interest in the Competing Business Opportunity shall abstain from attending (unless their attendance is specifically requested by the Independent Board) and voting at, and shall not be counted in the quorum for, any meeting convened to consider such Competing Business Opportunity). The Independent Board shall consider the financial impact of pursuing the Competing Business Opportunity offered, whether the nature of the Competing Business Opportunity is consistent with our Group's strategies and development plans and the general market conditions of our business. If appropriate, the Independent Board may appoint independent financial advisors and legal advisors to assist in the decision making process in relation to such Competing Business Opportunity. The Independent Board shall, within 30 business days of receipt of the Offer Notice, inform our Ultimate Controlling Shareholders in writing on behalf of our Company its decision whether to pursue or decline the Competing Business Opportunity.

The relevant Ultimate Controlling Shareholders shall be entitled but not obliged to pursue such Competing Business Opportunity if he/she has received a notice from the Independent Board declining such Competing Business Opportunity or if the Independent Board failed to respond within the 30-day period mentioned above. If there is any material change in the nature, terms or conditions of such Competing Business Opportunity pursued by the relevant Ultimate Controlling Shareholders, it shall refer such revised Competing Business Opportunity to our Company as if it were a new Competing Business Opportunity.

The Deed of Non-Competition will lapse automatically if our Ultimate Controlling Shareholders cease to hold, whether directly or indirectly, 30% or above of our Shares with voting rights or if our Shares cease to be listed on the Stock Exchange.

Each of our Ultimate Controlling Shareholders has further undertaken to us that he/she will provide and procure his/her Close Associates (as defined below) to provide on best endeavor basis, all information necessary for the annual review by our independent non-executive Directors of the compliance status of the Deed of Non-Competition. They shall also make an annual declaration in the corporate governance report of our annual report on the compliance with the Deed of Non-Competition in accordance with the voluntary disclosure principle in the corporate governance report.

In order to promote good corporate governance practices and to improve transparency, the Deed of Non-Competition includes the following provisions:

- our independent non-executive Directors shall review, at least on an annual basis, compliance with the Deed of Non-Competition by our Controlling Shareholders;

- we will disclose the decisions on matters reviewed by the independent non-executive Directors (including the reasons for not taking up any Competing Business Opportunity referred to our Company) and the review by our independent non-executive Directors on the compliance with, and the enforcement of, the Deed of Non-Competition in our annual report or by way of announcement in accordance with the requirements of the Listing Rules; and

- in the event that any of our Directors and/or their respective close associates has material interests in any matter to be deliberated by our Board in relation to the compliance and enforcement of Deed of Non-Competition, he/she may not vote on the resolutions of our Board approving the matter and shall not be counted towards the quorum for the voting pursuant to the applicable provisions in the Articles of Association.

For the above purpose, "Close Associates" means the close associates (as defined under the Listing Rules) of our Ultimate Controlling Shareholders excluding Times China Group, being an independently operating group due to the listed status of Times China.

CORPORATE GOVERNANCE MEASURES

Each of our Ultimate Controlling Shareholders and its respective Close Associates (as defined above) may not compete with us as provided in the Deed of Non-Competition. Each of our Ultimate Controlling Shareholders has confirmed that it/he/she fully comprehends its obligations to act in our Shareholders' best interests as a whole. Our Directors believe that there are adequate corporate governance measures in place to manage existing and potential conflicts of interest. In order to further avoid potential conflicts of interest, we have implemented the following measures:

(a) as part of our preparation for the Spin-off, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting;

(b) a Director with material interests shall make full disclosure in respect of matters that may have conflict or potentially conflict with any of our interest and abstain from the board meetings on matters in which such Director or his/her associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;

(c) we are committed that our Board should include a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. We have appointed independent non-executive Directors and we believe our independent non-executive Directors possesses sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. For details of our independent non-executive Directors, please refer to "Directors and Senior Management—Board of Directors—Independent non-executive Directors" in this prospectus;

(d) we have appointed Haitong International Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors' duties and corporate governance;

(e) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transactions annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from independent third parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole; and

(f) on an annual basis, our independent non-executive Directors will review the non-compete undertakings provided by our Ultimate Controlling Shareholders and their compliance with such undertakings.

Our Group has entered into a number of agreements with parties who will, upon completion of the Listing, become our connected persons, and the transactions disclosed in this section will constitute continuing connected transactions of our Company under the Listing Rules upon the Listing.

(A) CONTINUING CONNECTED TRANSACTION FULLY EXEMPT FROM THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

Trademark License

On December 3, 2019, a trademark license agreement was entered into between our Company and Guangzhou Times Development Enterprise Group Co., Ltd. (廣州市時代發展企業集團有限公司) ("**Times Development Group**") (the "**Trademark License Agreement**"), pursuant to which Times Development Group agreed to irrevocably and unconditionally grant us a non-transferrable license to use certain trademarks owned by it in the PRC for a perpetual term commencing from the date of the Trademark License Agreement in the PRC on a royalty-free basis. For details of the licensed trademarks, please refer to "Appendix IV—Statutory and General Information—B. Information about our business—2. Intellectual property rights of our Group" to this prospectus.

We believe that the entering into of the Trademark License Agreement with a term of more than three years can ensure the stability of our operations, and is beneficial to us and the Shareholders as a whole. The Sole Sponsor is of the view that it is normal business practice for agreement of this type to be of such duration.

As of the Latest Practicable Date, Times Development Group was wholly owned by Mr. Shum's relatives. Mr. Shum is one of our Controlling Shareholders and Times Development Group is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transaction under the Trademark License Agreement will constitute a continuing connected transaction for our Company under Chapter 14A of the Listing Rules upon Listing.

As the right to use the licensed trademarks is granted to us on a royalty-free basis, the transaction under the Trademark License Agreement will be within the de minimis threshold provided under Rule 14A.76 of the Listing Rules and will be exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(B) CONTINUING CONNECTED TRANSACTION SUBJECT TO THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

1. Master Property Management and Related Services

On December 3, 2019, our Company entered into a master property management and related services agreement (the "**Master Property Management and Related Services Agreement**") with Asiaciti Enterprises, pursuant to which our Group agreed to provide to Asiaciti Enterprises and its associates property management and related services, including but not limited to (i) property management services for the properties owned or used by Asiaciti Enterprises and its associates, (ii) pre-delivery services including (a) construction sites management services; and (b) display units and property sales venues management services, (iii) car parking lots management and leasing services, and (iv) preliminary planning and design consultancy services at the pre-delivery stage (the "**Property Management and Related Services**"). The Master Property Management and Related Services Agreement has a term commencing from the Listing Date until December 31, 2021.

The historical transaction amounts under the Property Management and Related Services during the Track Record Period are set forth in the table below.

	For the year ended December 31,			For the six months ended June 30,
	2016	**2017**	**2018**	**2019**
		(RMB'000)		
Value-added services to non-property owners				
– *Construction site management services*	*18,837*	*20,638*	*41,242*	*20,410*
– *Sales assistance services*	*56,263*	*64,615*	*114,480*	*77,105*
– *Pre-delivery cleaning services*	*15,030*	*10,487*	*31,830*	*11,979*
– *Preliminary planning and design consultancy services at pre-delivery stage(Note)*	–	–	–	–
	90,130	95,740	187,552	109,494
Property management services	15,575	23,983	30,569	25,737
Car parking lots leasing management services	2,465	3,037	4,102	3,219
Total	**108,170**	**122,760**	**222,223**	**138,450**

Note: Such service commenced in October 2019.

The fees to be charged for the Property Management and Related Services will be determined after arm's length negotiations with reference to prevailing market price (taking into account the location and the conditions of the property, the scope of the services and the anticipated operation costs including but not limited to labor costs, administration costs and costs of materials) and the prices charged by our Group for providing similar services to Independent Third Parties.

It is estimated that the maximum amounts of service fee payable by Asiaciti Enterprises and its associates in relation to the Property Management and Related Services for the three years ending December 31, 2021 will not exceed RMB316.2 million, RMB435.1 million and RMB650.0 million, respectively. Please refer to the table below for an estimated breakdown of such annual caps.

	For the year ending December 31,		
	2019	**2020**	**2021**
		(RMB'000)	
Value-added services to non-property owners			
– *Construction site management services*	*58,807*	*94,064*	*121,155*
– *Sales assistance services*	*169,677*	*187,358*	*302,656*
– *Pre-delivery cleaning services*	*37,369*	*51,802*	*79,844*
– *Preliminary planning and design consultancy services at pre-delivery stage*[(Note)]	*3,000*	*34,200*	*48,000*
	268,851	367,424	551,655
Property management services	41,428	58,530	83,740
Car parking lots leasing management services	5,867	9,130	14,590
Total	316,148	435,084	649,985

Note: Such service commenced in October 2019.

The following factors were considered in arriving at the above annual caps:

- the historical transaction amounts during the Track Record Period;
- the transaction amount of the second half was greater than it of the first half for each year during the Track Record Period;

- the estimated revenue to be recognized based on the existing signed contracts;
- the staff cost incurred for the related services during the Track Record Period;
- the estimated number of car parking lots to be owned and used by Times China Group, which is based on the properties under development and the land bank held by Times China Group as of June 30, 2019;
- the estimated size and number of properties to be delivered by Times China Group, which is based on the properties under development and the land bank held by Times China Group as of June 30, 2019;
- the estimated monthly management fee to be charged in respect of residential properties, shops or stores owned by Times China Group and the commercial properties used by Times China Group, which is based on the average monthly management fee charged for the year ended December 31, 2018;
- the service fee for preliminary planning and design consulting services provided at the pre-delivery stage which the Group has started to charge since October 2019, calculated against the properties under development and the land bank held by Times China Group as of June 30, 2019; and
- the expected volume of sale, number of sales offices, size and number of the properties of Times China Group to be managed by our Group based on the total GFA of properties developed by Times China Group under our management during the Track Record Period, the properties under development held by Times China Group as of June 30, 2019 and the estimated time of pre-sales and delivery based on public available information.

The credit term for the service fee payable by Asiaciti Enterprises and its associates in relation to the Property Management and Related Services is 30 days, in line with the credit term provided to Independent Third Parties.

As of the Latest Practicable Date, Times China was owned as to 61.54% by Asiaciti Enterprises. Asiaciti Enterprises is one of our Controlling Shareholders and Times China is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Property Management and Related Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the applicable percentage ratios under the Listing Rules in respect of the annual caps for the Master Property Management and Related Services Agreement are expected to be more than 5% on an annual basis, the transactions under the Master Property Management and Related Services Agreement constitute continuing connected transactions for our Company which are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. Master Equipment Sales, Installation and Maintenance Services

On December 3, 2019, our Company entered into a master equipment sales, installation and maintenance services agreement (the "**Master Equipment Sales, Installation and Maintenance Services Agreement**") with Times China. Our Group is an elevator distributor for a third party elevator manufacturer. Pursuant to the Master Equipment Sales, Installation and Maintenance Services Agreement, our Group agreed to (a) sell elevators to Times China Group and provide accessorial installation, maintenance and repair services of such elevators, and (b) provide intelligent engineering services, including but not limited to installation and maintenance of access control system, intercom system, surveillance system and broadband network facilities and consultation services in relation to such installation and maintenance for properties developed by Times China Group before the delivery of such properties to property owners (the "**Equipment Sales, Installation and Maintenance Services**"). The Master Equipment Sales, Installation and Maintenance Services Agreement has a term commencing from the Listing Date until December 31, 2021.

Our Group commenced the sale of elevators set out in (a) above to Times China Group in September 2019. For each of the years ended December 31, 2016, 2017, 2018 and the six months ended June 30, 2019, the transaction amounts under the Equipment Sales, Installation and Maintenance Services amounted to RMB1.4 million, RMB4.7 million, RMB16.2 million and RMB2.6 million, respectively. Please refer to the table below for details.

	For the year ended December 31,			For the six months ended June 30,
	2016	**2017**	**2018**	**2019**
		(RMB'000)		
Installation and maintenance of elevators	–	233	9,681	1,529
Instalment of internet services	–	–	789	177
Intelligent engineering services	1,435	4,505	5,694	899
Total	**1,435**	**4,738**	**16,164**	**2,605**

The fees to be charged for the Equipment Sales, Installation and Maintenance Services will be determined after arm's length negotiations with reference to prevailing market price (taking into account the location and the conditions of the properties, purchasing cost of the elevators and the anticipated operational costs including labor costs and material costs) and the prices charged by our Group for providing similar services to Independent Third Parties.

It is estimated that the maximum amounts of service fee payable by Times China Group in relation to the Equipment Sales, Installation and Maintenance Services for the three years ending December 31, 2021 will not exceed RMB30.7 million, RMB66.2 million and RMB95.7 million, respectively. Please refer to the table below for an estimated breakdown of such annual caps.

	For the year ending December 31,		
	2019	**2020**	**2021**
		(RMB'000)	
Sales, installation and maintenance of elevators	22,315	31,053	43,690
Instalment of internet services	4,869	10,045	14,863
Intelligent engineering services	3,470	25,049	37,064
Total	30,654	66,147	95,617

The following factors were considered in arriving at the above annual caps:

- the historical transaction amounts during the Track Record Period;
- the estimated revenue to be recognized based on the existing signed contracts;
- the revenue from the sales of elevators which commenced in September 2019 and our estimated undertaking/acceptance rate based on the rate for the year ended December 31, 2018;
- the estimated number of elevators to be purchased by Times China Group based on its land bank and projects under development as of June 30, 2019;
- the estimated price, estimated installation fee and estimated decoration fee of each elevator which is assumed to remain the same as that for the two years ended 31 December 2018;

- the estimated increase in demand for Equipment Sales, Installation and Maintenance Service from properties to be developed by Times China Group based on publicly available information and our estimated undertaking/acceptance rate based on the rate during the Track Record Period; and

- the estimated contract price per unit for instalment of internet services and intelligent engineering services based on that for the year ended 31 December 2018.

The credit term for the service fee payable by Times China and its associates in relation to Equipment Sales, Installation and Maintenance Services is 30 days, in line with the credit term provided to Independent Third Parties.

As of the Latest Practicable Date, Times China is owned as to 61.54% by Asiaciti Enterprises. Asiaciti Enterprises is one of our Controlling Shareholders and Times China is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Equipment Sales, Installation and Maintenance Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the applicable percentage ratios under the Listing Rules in respect of the annual caps for the Master Equipment Sales, Installation and Maintenance Services Agreement are expected to be more than 5% on an annual basis, the transactions under the Master Equipment Sales, Installation and Maintenance Services Agreement constitute continuing connected transactions for our Company which are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(C) APPLICATION FOR WAIVER

The transactions described in "—(B) Continuing Connected Transaction subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements" in this section constitute our continuing connected transactions under the Listing Rules which are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements of the Listing Rules.

In respect of these continuing connected transactions, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange has granted, waivers exempting us from strict compliance with the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "—(B) Continuing Connected Transaction subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements" in this section, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

(D) DIRECTORS' VIEWS

Our Directors (including our independent non-executive Directors) consider that all the continuing connected transaction described in "—(B) Continuing Connected Transaction subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements" in this section have been and will be carried out: (i) in the ordinary and usual course of our business; (ii) on normal commercial terms or better; and (iii) in accordance with the respective terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors (including our independent non-executive Directors) are also of the view that the annual caps of the continuing connected transaction in "—(B) Continuing Connected Transaction subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements" in this section are fair and reasonable and are in the interests of our Shareholders as a whole.

(E) SOLE SPONSOR'S VIEW

The Sole Sponsor is of the view (i) that the continuing connected transaction described in "—(B) Continuing Connected Transaction subject to the Reporting, Annual review, Announcement and Independent Shareholders' Approval Requirements" in this section have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms or better, that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and (ii) that the proposed annual caps (where applicable) of such continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

BOARD OF DIRECTORS

Our Board consists of nine Directors, of whom four are executive Directors, two are non-executive Directors and three are independent non-executive Directors. The powers and duties of our Board include convening general meetings and reporting our Board's work at the Shareholders' meetings, determining our business and investment plans, preparing our annual financial budgets and final reports, formulating proposals for profit distributions and for exercising other powers, functions and duties as conferred by the Articles. We have entered into service contracts with each of our executive Directors and letters of appointment with each of our non-executive Directors and independent non-executive Directors.

The table below set out certain information in respect of our Directors.

Name	Age	Date of joining our Group[(Note)]	Date of appointment as Director	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors or senior management
Executive Directors						
Ms. Wang Meng (王萌)	33	February 1, 2019	August 26, 2019	Executive Director and chief executive officer	Responsible for the strategic planning and overall operations of our Group	None
Mr. Yao Xusheng (姚旭升)	56	June 25, 1998	August 26, 2019	Executive Director and vice president	Responsible for the day-to-day operations and administrative matters of our Group	None
Ms. Xie Rao (謝嬈)	41	July 31, 2017	August 26, 2019	Executive Director and vice president	Responsible for the quality management, brand positioning and promotion and public relations maintenance of our Group	None
Ms. Zhou Rui (周鋭)	35	March 1, 2019	August 26, 2019	Executive Director and general manager of our financial management center	Responsible for the financial management, capital operations and internal control of our Group	None

Name	Age	Date of joining our Group(Note)	Date of appointment as Director	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors or senior management
Non-executive Directors						
Mr. Bai Xihong (白錫洪)	51	August 8, 2018	August 26, 2019	Non-executive Director and chairman	Responsible for providing guidance for the overall development of our Group	None
Mr. Li Qiang (李強)	45	July 15, 2005	August 26, 2019	Non-executive Director	Responsible for providing guidance for the overall development of our Group	None
Independent non-executive Directors						
Mr. Lui Shing Ming, Brian (雷勝明)	59	December 3, 2019	December 3, 2019	Independent non-executive Director	Responsible for providing independent advice on the operations and management of our Group	None
Dr. Wong Kong Tin (黃江天)	53	December 3, 2019	December 3, 2019	Independent non-executive Director	Responsible for providing independent advice on the operations and management of our Group	None
Dr. Chu Xiaoping (儲小平)	64	December 3, 2019	December 3, 2019	Independent non-executive Director	Responsible for providing independent advice on the operations and management of our Group	None

Note:

(1) Denotes the time from which the relevant Director first became involved in matters relating to the business of our Group while under the employment of Times China Group or our Group (where applicable).

Executive Directors

Ms. Wang Meng (王萌), aged 33, was appointed as our executive Director on August 26, 2019 and is primarily responsible for the strategic planning and overall operations of our Group. Ms. Wang is also our chief executive officer and director of some of our subsidiaries. Since July 2019, Ms. Wang has been serving as the general manager of Guangzhou Times Neighborhood where she has been responsible for its overall operation and management.

Ms. Wang joined our Group in February 2019. From February 2019 to July 2019, she served as a deputy general manager at Guangzhou Times Neighborhood where she was primarily responsible for its business and technology development, market expansion, medium and long-term project development and management of some of its subsidiaries. Prior to joining our Group, from July 2006 to September 2016, Ms. Wang served at Guangzhou Key Public Construction Project Management Office (廣州市重點公共建設項目管理辦公室), a governmental department, where her last position was the director of integrated management department and was primarily responsible for its human resources, administrative logistics and property management. From September 2016 to March 2018, Ms. Wang served as a deputy director at Guangzhou Probity Education Management Center (廣州市廉政教育管理中心), a governmental department, where she was primarily responsible for its human resources, administrative logistics and property management. From April 2018 to September 2018, Ms. Wang worked at Guangzhou Aerospace Haite System Engineering Co., Ltd. (廣州航天海特系統工程有限公司), a company principally engaged in information technology, where she was primarily responsible for exploring market opportunities. From October 2018 to February 2019, Ms. Wang served as a deputy general manager and general manager of public relations at Guangzhou Yaojie Real Estate Development Co., Ltd. (廣州市耀杰房地產開發有限公司), a subsidiary of Times China, where she was responsible for public affairs and property management of real estate projects in Southern Guangzhou.

Ms. Wang received her bachelor's degree of arts from Guangzhou University (廣州大學) in the PRC in June 2006 and her master's degree in public administration from Jinan University (暨南大學) in the PRC in December 2014.

Mr. Yao Xusheng (姚旭升), aged 56, was appointed as our executive Director on August 26, 2019 and is primarily responsible for the day-to-day operations and administrative matters of our Group. Mr. Yao is also our vice president. Mr. Yao joined our Group in June 1998 and served as the general manager at Guangzhou Times Property Management from June 1998 to January 2019. He has been serving as the general manager at Guangzhou Wanning since May 2016, a deputy general manager of our Group since February 2019 and a director of Guangzhou Times Neighborhood since August 2019.

Prior to joining our Group, from October 1982 to May 1996, Mr. Yao worked at White Swan Hotel (白天鵝賓館) where he was responsible for the daily operations of room service department.

Mr. Yao received his diploma in tourism and hospitality management from Guangzhou Vocational School of Tourism and Business (廣州市旅遊商務職業學校) (formerly known as Guangzhou No. 1 Tourism School (廣州市第一旅遊學校)) in the PRC in June 1982. Mr. Yao obtained his National Property Management Manager Certificate (全國物業管理企業經理崗位證書) from the Personnel Education Department of the Ministry of Construction (建設部人事教育司) and the Housing and Real Estate Department of the Ministry of Construction (建設部住宅與房地產業司) in May 2006. He was also awarded as an Outstanding Person of Guangdong Property Management Industry for the Year 2014-2016 (廣東省物業管理行業(2014-2016) "傑出人物") from Guangdong Property Management Industry Association (廣東省物業管理行業協會) in September 2016.

Ms. Xie Rao (謝嬈), aged 41, was appointed as our executive Director on August 26, 2019 and is primarily responsible for the quality operation management, brand positioning and promotion and public relations maintenance of our Group. Ms. Xie is also our vice president. She has also been serving as a deputy general manager at Guangzhou Times Neighborhood since joining our Group in July 2017.

Prior to joining our Group, from November 2003 to October 2006, Ms. Xie served as the senior training director of human resources department at Guangzhou Mayland Limited (廣州市美林基業投資有限公司), a property developer, where she was primarily responsible for recruitment and training. From October 2006 to July 2017, Ms. Xie served as an assistant general manager at Guangzhou Tianli Property Development Co., Ltd. (廣州天力物業發展有限公司), a subsidiary of Guangzhou R&F Properties Co., Ltd. (廣州富力地產股份有限公司) ("**Guangzhou R&F**") which is a property developer listed on the Stock Exchange (stock code: 2777), where she was primarily responsible for talent strategy planning, property quality construction and maintenance of public relations.

Ms. Xie has been serving as a member of China Property Management Association (中國物業管理協會), a vice president of Guangdong Property Management Industry Association (廣東省物業管理行業協會) and a vice president of Guangzhou Property Management Industry Association (廣州市物業管理行業協會) since 2019, 2018 and November 2018, respectively. She has also been serving as a deputy director of the Quality Standards Committee (標準化工作委員會) of Guangzhou Property Management Industry Association since December 2018.

Ms. Xie graduated from Hunan University (湖南大學) in the PRC majored in economic management in June 2000. Ms. Xie obtained her qualification as an assistant communication engineer (通信助理工程師) from Guangdong Department of Human Resources and Social Security (廣東省人力資源和社會保障廳) in March 2004.

Ms. Zhou Rui (周鋭), aged 35, was appointed as our executive Director on August 26, 2019 and is primarily responsible for the financial management, capital operations and internal control of our Group. Ms. Zhou has been serving as the general manager of our financial management center since August 2019. From March 2019 to August 2019, she served as the financial manager at Guangzhou Times Neighborhood.

Ms. Zhou joined our Group as the financial manager of the financial management center in March 2019. Prior to joining our Group, from August 2006 to November 2017, Ms. Zhou worked at KPMG Huazhen LLP Guangzhou Branch (畢馬威華振會計師事務所(特殊普通合夥)廣州分所) where her last position was an auditor manager and was primarily responsible for the audit of corporate financial statements. From December 2017 to March 2018, Ms. Zhou served as a financial manager at Guangzhou R&F where she was primarily responsible for its financial and accounting matters. From March 2018 to March 2019, Ms. Zhou worked as a financial manager of financial capital and cost center at Guangzhou Times Holdings.

Ms. Zhou received her bachelor of arts degree in English from South China University of Technology (華南理工大學) in the PRC in July 2006. She was admitted as a Certified PRC Public Accountant (中國註冊會計師) certified by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in June 2015.

Non-executive Directors

Mr. Bai Xihong (白錫洪), aged 51, was appointed as our non-executive Director and chairman on August 26, 2019 and is primarily responsible for providing guidance for the overall development of our Group. He served as the general manager of our Group from August 2018 to July 2019.

Mr. Bai joined Times China Group in May 2001 and has been serving as the general manager of Guangzhou regional office since January 2002, where he has been primarily responsible for project development, marketing and project management in Guangzhou. He has also been serving as a vice president of Times China Group since January 2002 and an executive director of Times China since February 2008. He is currently the chairman of the strategic and resources management committee of Times China where he has been primarily responsible for its integration of strategic business resources.

Mr. Bai graduated from Guangdong Radio and Television University (廣東廣播電視大學) in the PRC in industrial enterprise operation management in July 1990 and received his executive master of business administration degree from Sun Yat-sen University (中山大學) in the PRC in December 2009. In 2005, Mr. Bai was recognized as an "Outstanding Contributor to Guangzhou Real Estate in the Past 20 years" (廣州地產二十年傑出貢獻名人) by the "Guangzhou Real Estate in the Past 20 Years' event organizing committee" (廣州地產二十年大型活動組委會), Guangzhou Real Estate Organization (廣州市房地產業協會) and Guangzhou Real Estate Guide Union (房地產導刊社). He was awarded the "2006 Outstanding CEO (Diamond Award) in Mainstream Real Estate in China" (2006中國主流地產金鑽獎傑出貢獻CEO) in 2006 by China Mainstream Real Estate Economy Summit (中國地產經濟主流峰會). From December 2011 to December 2016, Mr. Bai served as a member of the 12th Guangzhou Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議

第十二屆廣州市委員會). Mr. Bai has been serving as the chairman of Guangzhou Nansha New District Real Estate Association (廣州南沙新區房地產協會) since May 2014 and standing vice president of Guangzhou Real Estate Industry Association (廣州市房地產行業協會) since 2018.

Mr. Li Qiang (李強), aged 45, was appointed as our non-executive Director on August 26, 2019 and is primarily responsible for providing guidance for the overall development of our Group.

Mr. Li joined Times China Group in July 2005 and served as an assistant to the president from July 2005 to July 2009. He has been serving as an executive director of Times China since February 2008 and a vice president of Times China Group since July 2009. Prior to joining Times China Group, Mr. Li worked at Guangdong ETR Law Firm (廣東廣信君達律師事務所) (formerly known as Guangdong Guangxin Law Firm (廣東廣信律師事務所). Mr. Li is currently also the general manager of the risk control and corporate management center of Times China Group where he is primarily responsible for legal, audit, supervision, service management and administrative affairs.

Mr. Li received his master's degree in law from Hunan Normal University (湖南師範大學) in the PRC in June 2000 and his executive master of business administration degree from Sun Yat-sen University (中山大學) in the PRC in December 2007. Mr. Li was admitted as a practicing lawyer in the PRC in June 1998. From September 2011 to September 2016, Mr. Li served as a member of the 15th People's Congress of Guangzhou Yuexiu District (廣州市越秀區第十五屆人民代表大會). He has been serving as an arbitrator at Guangzhou Arbitration Commission (廣州仲裁委員會) since October 2018.

Independent non-executive Directors

Mr. Lui Shing Ming, Brian (雷勝明), aged 59, was appointed as our independent non-executive Director on December 3, 2019 and is responsible for providing independent advice on the operations and management of our Group.

From April 1982 to May 1982, Mr. Lui served as an audit assistant at John B.P. Byrne & Co (莊栢彬會計事務所), where he was responsible for audit work. From June 1982 to January 1983, Mr. Lui served as an audit trainee at PricewaterhouseCoopers Limited (羅兵咸永道會計師事務所) (formerly known as Coopers & Lybrand (Hong Kong) (永道會計師事務所(香港)), where he was responsible for audit work. From March 1983 to May 1986, Mr. Lui served as an accountant at The Grolier Society of Australia Pty. Ltd., a publisher of general encyclopedias, where he was responsible for audit work. From July 1986 to March 1989, Mr. Lui served as an accounting and administration manager at Cheong Ming Press Factory Limited (昌明印刷廠有限公司) where he was responsible for accounting work. From March 1989 to November 1991, Mr. Lui served as a manager at SFC. From December 1992 to December 1996, Mr. Lui served as a finance director at Cheong Ming Press Factory Ltd. where he was primarily responsible for the management of accounting and financial control functions, corporate finance matters and company restructuring. From June 1997 to July 2014, Mr. Lui served as a director of Reaload Group Holdings Limited (偉祿集團控股有限公司) (formerly known as Cheong Ming Investments Limited (昌明投資有限公司) and Cheong Ming Holdings Limited

(昌明控股有限公司)), a company listed on the Stock Exchange (stock code: 1196), where he was primarily responsible for company policies and strategies and financial matters and was appointed as the chairman in 2008. From September 2004 to August 2016, Mr. Lui served as an independent non-executive director at Hong Kong Food Investment Holdings Limited (香港食品投資控股有限公司) (formerly known as Four Seas Investment Holdings Limited (四洲食品投資控股有限公司), a food conglomerate listed on the Stock Exchange (stock code:0060). Since May 2000, he has been serving as the chairman of Capital Financial Press Limited (資本財經印刷有限公司), a financial printing services provider, where he has been primarily responsible for company policies and strategies and financial matters.

Mr. Lui received his bachelor's degree in commerce and his master's degree in commerce from The University of New South Wales in Australia in April 1982 and May 1985, respectively. He has been serving as the honorary president of Chamber of Commerce of Guangzhou Foreign Investment Enterprises (廣州外商投資企業商會) since January 2017 and an executive vice president of the 8th committee of Hong Kong Guangdong Foreign Merchants Association (香港廣東外商公會). Mr. Lui was admitted as a fellow member of Certified Practicing Accountants Australia in June 1985 and a fellow member of Hong Kong Institute of Certified Public Accountants in April 2005. He is currently an authorized supervisor of Hong Kong Institute of Certified Public Accountants.

Dr. Wong Kong Tin (黃江天), Justice of the Peace, aged 53, was appointed as our independent non-executive Director on December 3, 2019 and is responsible for providing independent advice on the operations and management of our Group.

Since November 2000, Dr. Wong has been serving as the person-in-charge of China Practices Department at Philip K.H. Wong, Kennedy Y.H. Wong & Co. (黃乾亨黃英豪律師事務所) where he has been primarily responsible for coordinating handling legal affairs in Greater China. From June 2010 to July 2014, Dr. Wong served as an independent non-executive director at Great Wall Technology Company Limited (長城科技股份有限公司), a power products manufacturer and distributor previously listed on the Stock Exchange (stock code: 0074) and automatically delisted in July 2014, where he was responsible for supervising and providing independent advice to the board. Since December 2017, Dr. Wong has been serving as an independent non-executive director at NOVA Group Holdings Limited (諾發集團控股有限公司) (formerly known as Mega Expo Holdings Limited), a company principally engaged in the cultural entertainment business and exhibition business and listed on the Stock Exchange (stock code: 1360), where he has been responsible for supervising and providing independent advice to the board.

Dr. Wong received his bachelor's degree and master's degree in law from Peking University (北京大學) in the PRC in July 1993 and July 1995, respectively. He received his doctor's degree in constitutional law and administrative law from Renmin University of China (中國人民大學) in the PRC in July 2001 and his postgraduate diploma in English and Hong Kong Law from The Manchester Metropolitan University in the United Kingdom in July 2001 through attending long distance learning courses. Dr. Wong was admitted as an associate of Chartered Institute of Arbitrators (英國特許仲裁學會) in May 2002, an associate of Hong Kong Institute of Arbitrators (香港仲裁司學會) in August 2002, a Registered Financial Planner (註冊財務策劃師) certified by the Society of Registered Financial Planners (註冊財務策劃師協會) in July 2008, a fellow member of the Hong Kong Institute of Directors (香港董事學會) in September 2008 and a founding member of the Hong Kong Independent Non-executive Director Association (香港獨立非執行董事協會) in October 2015. He has been serving as a panel member of Hong Kong Solicitors Disciplinary Tribunal (香港律師紀律審裁團) since May 2010 and the chairman of Hong Kong Liquor Licensing Board (香港酒牌局) since January 2018.

Dr. Chu Xiaoping (儲小平), aged 64, was appointed as our independent non-executive Director on December 3, 2019 and is responsible for providing independent advice on the operations and management of our Group.

From June 1986 to December 2003, Dr. Chu successively served as an associate professor, professor, associate dean and dean of Shantou University Business School (汕頭大學商學院) where he was primarily responsible for management related teaching and administrative work. Since December 2003, Dr. Chu has been serving as a professor presenting organization and management related courses of Lingnan College, Sun Yat-sen University (中山大學嶺南學院). Dr. Chu is currently an independent non-executive director of Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. (廣州白雲山醫藥集團股份有限公司), a company listed on the Stock Exchange (stock code: 0874), an independent non-executive director of Oppein Home Group Inc. (歐派家居集團股份有限公司), a customized home products manufacturer listed on the Shanghai Stock Exchange (stock code: 603833) and an independent non-executive director of Shengyi Technology Co. Ltd. (廣東生益科技股份有限公司), an electronic equipment manufacturer listed on the Shanghai Stock Exchange (stock code: 600183).

Dr. Chu received his master's degree in philosophy from Huazhong University of Science and Technology (華中科技大學) (formerly known as Huazhong Institute of Technology (華中工學院)) in the PRC in June 1986 and his doctor's degree in management from Xi'an Jiaotong University (西安交通大學) in the PRC in December 2003. Dr. Chu obtained his senior professional and technical qualification certificate as an economics professor issued by Human Resources and Social Security Department of Guangdong Province (廣東省人力資源和社會保障廳) (formerly known as Human Resources Department of Guangdong Province (廣東省人事廳)) in January 2000.

Save as disclosed above, none of our Directors have held any other directorships in listed companies during the three years immediately preceding the date of this prospectus. There is no other information relating to the relationship of any of our Directors with other Directors and senior management officers that should be disclosed pursuant to Rule 13.51(2) or paragraph 41(3) of Appendix 1A of the Listing Rules.

Save as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needed to be brought to the attention of our Shareholders and there was no information relating to our Directors that was required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

SENIOR MANAGEMENT

Our executive Directors and other members of our senior management are responsible for the day-to-day operations and management of the business of our Group.

For the biographical details of Ms. Wang Meng, Mr. Yao Xusheng, Ms. Xie Rao and Ms. Zhou Rui, please refer to "Executive Directors" in this section. Members of the senior management of our Group also include the following:

Name	Age	Date of joining our Group	Existing position(s) in our Group	Roles and responsibilities
Mr. He Xiaojun (何小軍)	50	March 1, 1999	General manager of Dongguan and Huizhou branch offices of Guangzhou Times Property Management	Responsible for the overall management and day-to-day operations of certain branch offices of Guangzhou Times Property Management
Mr. Wang Sheng (王勝)	40	July 26, 2011	General manager of Qingyuan branch office of Guangzhou Times Property Management	Responsible for the overall management and day-to-day operations of Qingyuan branch office of Guangzhou Times Property Management

Name	Age	Date of joining our Group	Existing position(s) in our Group	Roles and responsibilities
Ms. Shuang Shan (雙珊)	39	September 4, 2007	General manager of Zhuhai branch office of Guangzhou Times Property Management	Responsible for the overall management and day-to-day operations of Zhuhai branch office of Guangzhou Times Property Management

Mr. He Xiaojun (何小軍), aged 50, has been serving as the general manager of Dongguan and Huizhou branch offices of Guangzhou Times Property Management since July 2017 and is responsible for the overall management and day-to-day operations of certain branch offices of Guangzhou Times Property Management.

Mr. He joined our Group in March 1999. From March 1999 to March 2013, Mr. He successively served as a senior foreman and a regional director at Guangzhou Times Property Management where he was primarily responsible for the project management. From March 2013 to July 2017, Mr. He served as the general manager of Zhuhai and Zhongshan branch offices of Guangzhou Times Property Management where he was primarily responsible for the overall management of these two branch offices.

Prior to joining our Group, from October 1986 to December 1990, Mr. He served in the army of the PRC. In May 1991, Mr. He worked at Jiangsu Sanai Group Company (江蘇三愛集團公司), a sugar and alcohol manufacturer. Mr. He served as a vice president of Zhuhai Property Management Industry Association (珠海市物業管理行業協會) from 2011 to December 2018 and a vice president of Zhongshan Property Management Industry Association (中山市物業管理行業協會) from October 2014 to July 2017.

Mr. He graduated from Central Radio and Television University (中央廣播電視大學) in the PRC in July 2013. He obtained his qualification as a National Property Management Manager (全國物業管理企業經理) from the Personnel Education Department of the Ministry of Construction (建設部人事教育司) and the Housing and Real Estate Department of the Ministry of Construction (建設部住宅與房地產業司) in March 2006.

Mr. Wang Sheng (王勝), aged 40, has been serving as the general manager of Qingyuan branch office of Guangzhou Times Property Management since July 2017 and is responsible for its overall management and day-to-day operations.

Mr. Wang joined our Group as the general manager of Changsha branch office of Guangzhou Times Property Management in July 2011. Prior to joining our Group, from June 2001 to July 2011, Mr. Wang served as a manager at Zhonghai Property Management Guangzhou Co., Ltd. (中海物業管理廣州有限公司), a company principally engaged in property management services, where he was primarily responsible for the overall operations and management of projects. Mr. Wang was appointed as a vice president of Qingyuan Property Management Association (清遠市物業管理協會) in July 2017.

Mr. Wang graduated from Wuhan University (武漢大學) in the PRC in July 2000 and received his bachelor's degree in business administration from Hunan University of Technology and Business (湖南工商大學) (formerly known as Hunan College of Commerce (湖南商學院)) in the PRC in June 2018. Mr. Wang was admitted as a Certified Property Manager (註冊物業管理師) by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) in February 2014. He also obtained his Industry Expert Certificate of Qingyuan Property Management Association (清遠市物業管理協會行業專家證) from Qingyuan Property Management Association (清遠市物業管理協會) in August 2018.

Ms. Shuang Shan (雙珊), aged 39, has been serving as the general manager of Zhuhai branch office of Guangzhou Times Property Management since July 2017 and is responsible for its overall management and day-to-day operations.

Ms. Shuang joined our Group as the director of human resources department at Zhuhai branch office of Guangzhou Times Property Management in September 2007 and successively served various positions from September 2007 to June 2017 where she was primarily responsible for the day-to-day management of such branch office. Prior to joining our Group, from July 2000 to February 2005, Ms. Shuang successively served as a management associate and a human resource manager at Teck Soon Hong Limited (德信行有限公司), a subsidiary of China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company listed on the Stock Exchange (stock code: 0836), where she was primarily responsible for human resource management. From February 2005 to August 2007, Ms. Shuang served as a secretary to the general manager at Zhuhai Wiseman Co., Ltd. (珠海威絲曼股份有限公司), a clothing brand company previously listed on the National Equities Exchange and Quotations (stock code : 833957) and delisted in November 2017, where she was primarily responsible for assisting the general manager of the overall brand operation management. Ms. Shuang has been serving as a vice president of Zhuhai Property Management Industry Association (珠海市物業管理行業協會) since July 2017.

Ms. Shuang graduated from South China Normal University (華南師範大學) (formerly known as South China Normal College (華南師範學院)) in the PRC in June 2005 and received her bachelor's degree in business administration from Jiangxi Normal University (江西師範大學) in the PRC in December 2017. Ms. Shuang obtained her qualification as a Human Resources Manager (人力資源管理師) from Guangdong Department of Labor and Social Security (廣東省勞動和社會保障廳) in February 2003.

COMPANY SECRETARY

Ms. Leung Suet Wing (梁雪穎), aged 30, was appointed as our company secretary on August 26, 2019. Since June 2013, Ms. Leung has been serving at TMF Hong Kong Limited (達盟香港有限公司) where her current position is assistant manager and is primarily responsible for providing company secretarial and compliance services to a number of listed companies in Hong Kong.

Ms. Leung served as an assistant at Tricor Services Limited (卓佳專業商務有限公司) from June 2011 to December 2012 and an officer from January 2013 to June 2013, where she was primarily responsible for providing company secretarial and compliance services.

Ms. Leung received her bachelor's degree in business administration from Hong Kong Shue Yan University (香港樹仁大學) in July 2011 and her master's degree in professional accounting and corporate governance from City University of Hong Kong (香港城市大學) in July 2016. She was admitted as an associate of The Institute of Chartered Secretaries and Administrators by The Institute of Chartered Secretaries and Administrators (英國特許秘書及行政人員協會) and an associate of The Hong Kong Institute of Chartered Secretaries by The Hong Kong Institute of Chartered Secretaries (香港特許秘書公會) in December 2016.

BOARD COMMITTEES

Our Board has established the audit committee, the remuneration committee and the nomination committee and delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Group's activities.

Audit Committee

Our Group has established an audit committee on December 3, 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules. The audit committee consists of three members, namely, Mr. Lui Shing Ming, Brian, Dr. Wong Kong Tin and Mr. Li Qiang. Mr. Lui Shing Ming, Brian is the chairman of the audit committee.

The primary duties of the audit committee are to (i) review and supervise our financial reporting process and internal control system of our Group, risk management and internal audit;(ii) provide advice and comments to our Board; and (iii) perform other duties and responsibilities as may be assigned by the Board.

Remuneration Committee

Our Group has established a remuneration committee on December 3, 2019 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph B.1 of the CG Code as set out in Appendix 14 to the Listing Rules. The remuneration committee consists of three members, namely, Dr. Wong Kong Tin, Mr. Bai Xihong and Dr. Chu Xiaoping. Dr. Wong Kong Tin is the chairman of the remuneration committee.

The primary duties of the remuneration committee include, but not limited to (i) establishing, reviewing and providing advices to our Board on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determining the terms of the specific remuneration package of each Director and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time.

Nomination Committee

Our Group has also established a nomination committee on December 3, 2019 with written terms of reference in compliance with paragraph A.5 of the CG Code as set out in Appendix 14 to the Listing Rules. The nomination committee consists of three members, namely, Mr. Bai Xihong, Mr. Lui Shing Ming, Brian and Dr. Chu Xiaoping. Mr. Bai Xihong is the chairman of the nomination committee.

The primary function of the nomination committee is to (i) review the structure, size and composition of our Board on a regular basis and make recommendations to the Board regarding any proposed changes to the composition of our Board; (ii) identify, select or make recommendations to our Board on the selection of individuals nominated for directorship, and ensure the diversity of our Board members; (iii) assess the independence of our independent non-executive Directors; and (iv) make recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors and succession planning for our Directors.

BOARD DIVERSITY POLICY

Our Board has adopted a board diversity policy which sets out the approach to achieve diversity on our Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in supporting the attainment of our Company's strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talents, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. We will continue to implement measures and steps to promote and enhance gender diversity at all levels of our Company. We will select potential Board candidates based on merit and his/her potential contribution to our Board while taking into account our board diversity policy and other factors. Our Company will also take into consideration our own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

Our Board comprises of nine members, including three female executive Directors out of a total of four executive Board members. Our Directors also have a balanced mix of knowledge, skills and experience, including property management, overall business management, administrative management, finance and investment. They obtained degrees in various majors including but without limitation to business administration, public administration, economic management, industrial enterprise operation management, language and law. We have three independent non-executive Directors who have different industry backgrounds, including auditing and accounting, law and economy. Furthermore, our Board has a wide range of age, ranging from 33 years old to 64 years old. We have taken and will continue to take steps to promote gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Taking into account our business model and specific needs as well as the presence of three female executive Directors out of a total of nine Board members, we consider that the composition of our Board satisfies our board diversity policy.

With regards to gender diversity on the Board, our board diversity policy further provides that our Board shall take opportunities to increase the proportion of female members over time when selecting and making recommendations on suitable candidates for Board appointments. We will also ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board going forward. It is our objective to maintain an appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices.

Our nomination committee is responsible for ensuring the diversity of our Board members. After Listing, our nomination committee will review our board diversity policy and its implementation from time to time to ensure its implementation and monitor its continued effectiveness and we will disclose the implementation of our board diversity policy in our corporate governance report on an annual basis.

COMPLIANCE ADVISOR

Our Company has appointed Haitong International Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance advisor will advise our Company in the following circumstances:

(a) before the publication of any regulatory announcement, circular or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;

(c) where our Company proposes to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our Group's business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and

(d) where the Stock Exchange makes an inquiry of our Company under or Rule 13.10 of the Listing Rules.

The term of the appointment of the compliance advisor shall commence on the Listing Date and end on the date on which our Company distribute the annual report in respect of the financial results for the first full financial year commencing after the Listing Date.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and members of our senior management receive compensation from our Group in the form of salaries, bonuses and other benefits in kind such as contributions to pension plans.

The aggregate remuneration (including salaries, allowances and benefits in kind, performance related bonuses and pension scheme contributions) paid to our Directors for each of the three years ended December 31, 2018 and six months ended June 30, 2019 was RMB0.7 million, RMB1.1 million, RMB1.4 million and RMB0.5 million, respectively. Save as disclosed above, no other amounts have been paid or are payable by any member of our Group to our Directors for each of the three years ended December 31, 2018 and six months ended June 30, 2019.

The aggregate amount of salaries, allowances and benefits in kind, performance related bonuses and pension scheme contributions paid to our five highest paid individuals in respect of each of the three years ended December 31, 2018 and six months ended June 30, 2019 was RMB2.8 million, RMB3.0 million, RMB3.5 million and RMB1.3 million, respectively.

No remuneration was paid by us to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office in respect of each of the three years ended December 31, 2018 and six months ended June 30, 2019. Further, none of our Directors had waived or agreed to waive any remuneration during the same periods.

Under the arrangement currently in force, the aggregate remuneration (including salaries, allowances and benefits in kind, performance related bonuses and pension scheme contributions) of our Directors for the year ending December 31, 2019 is estimated to be no more than approximately RMB3.0 million.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will, following the Listing, receive recommendation from the remuneration committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

CORPORATE GOVERNANCE CODE

Our Company aims to achieve high standards of corporate governance which are crucial to the development and safeguard the interests of our Shareholders. To accomplish this, our Company expects to comply with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules and the associated Listing Rules after the Listing.

So far as our Directors are aware, the following persons will, immediately prior to and following the completion of the Spin-off (assuming the Reserved Shares under the Preferential Offering are fully taken up by Qualifying Times China Shareholders), have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

LONG POSITIONS IN SHARES OF OUR COMPANY

		Shares held immediately prior to the completion of the Spin-off(1)		Shares held immediately following the completion of the Spin-off(1)	
Name of Shareholder	**Nature of Interest**	**Number**	**Approximate Percentage**	**Number**	**Approximate Percentage**
Asiaciti Enterprises	Beneficial owner	2 (L)	61.54%	509,437,744 (L)	56.06%
Renowned Brand(2)	Interested in controlled corporation	2 (L)	61.54%	509,437,744 (L)	56.06%
East Profit(2)	Interested in controlled corporation	2 (L)	61.54%	509,437,744 (L)	56.06%
Mr. Shum(2)	Interested in controlled corporation Interest of spouse	2 (L)	61.54%	509,437,744 (L)	56.06%
Ms. Li Yiping(2)	Interested in controlled corporation Interest of spouse	2 (L)	61.54%	509,437,744 (L)	56.06%

Notes:

(1) The letter "L" denotes a long position in our Shares.

(2) Asiaciti Enterprises is owned as to 60% by Renowned Brand, which is wholly owned by Mr. Shum; and as to 40% by East Profit, which is wholly owned by Ms. Li Yiping. By virtue of the SFO, Renowned Brand, East Profit, Mr. Shum and Ms. Li Yiping are deemed to be interested in shares held by Asiaciti Enterprises.

LONG POSITION IN EQUITY INTEREST OF A MEMBER OF OUR GROUP

			Equity interest held immediately prior to the completion of the Spin-off		Equity interest held immediately following the completion of the Spin-off	
Name	Company concerned	Nature of Interest	Number	Approximate Percentage (%)	Number	Approximate Percentage (%)
Ms. Wu Lanyun	Joan Elevator	Beneficial owner	2,100,000	21	2,100,000	21

Save as disclosed above, our Directors are not aware of any person who will, immediately following the completion of the Spin-off, have beneficial interests or short positions in any Shares or underlying Shares, which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of the issued voting shares of any member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

The following is a description of the authorized and issued Share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately before and following the completion of the Spin-off:

		Nominal value *(HK$)*
Authorized share capital:		
2,000,000,000	Shares of HK$0.01 each	20,000,000
Issued and to be issued, fully paid or credited as fully paid:		
2	Shares in issue as of the date of this prospectus	0.02
746,852,745	Shares to be issued pursuant to the Capitalization Issue	7,468,527.45
161,820,000	Shares to be issued under the Global Offering	1,618,200
908,672,747	Total	9,086,727.47

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional and the issue of Shares pursuant to the Global Offering, the Distribution and Capitalization Issue are made. It takes no account of any Shares which may be issued or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

RANKINGS

The Offer Shares will be ordinary shares in the share capital of our Company and will carry the same rights in all respects with all Shares in issue or to be issued as mentioned in this prospectus and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus save for the entitlement under the Capitalization Issue.

GENERAL MANDATE TO ALLOT AND ISSUE NEW SHARES

Subject to the Global Offering becoming unconditional, general mandates have been granted to our Directors to allot and issue Shares and to repurchase Shares. For details of such general mandates, please refer to "Appendix IV—Statutory and General Information—A. Further Information about Our Company" to this prospectus.

You should read the following discussion and analysis in conjunction with our combined financial information set forth in the Accountants' Report included as Appendix I to this prospectus. Our combined financial information has been prepared in accordance with IFRSs.

The following discussion and analysis contain certain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on assumptions and analysis made by us in light of our experiences and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcome and developments will meet our expectations and predictions depends on a number of risks and uncertainties over which we do not have control. See "Risk Factors" and "Forward-looking Statements" in this prospectus.

OVERVIEW

We are one of the leading and fast-growing comprehensive property management service providers in China. In 2019, we were ranked 13th among the Top 100 Property Management Companies in terms of overall strength by CIA. In 2018, we were ranked 11th among the top 100 property management companies of China in terms of overall strength by China Property Management Institute (中國物業管理協會). We stand out from the competition with our peers by our market tested service quality, brand reputation and diversified service offering. We have been awarded as one of the "Specialized Operational Leading Brand of China Properties Service Companies (中國物業服務專業化運營領先品牌企業)" by CIA for four consecutive years since 2016. As of June 30, 2019, we had 204 property management service projects under management with a total GFA under property management of over 34.7 million sq.m. and six municipal sanitation projects with a total GFA under management of over 8.0 million sq.m. Our property management service projects include projects for property management consisting of residential communities, industrial parks, commercial properties and office buildings, multi-purpose complexes, government buildings, public facilities, airports and educational institutions, located in 15 cities in the PRC. We have experienced rapid growth in recent years. Our net profit grew at a CAGR of 78.8% from 2016 to 2018, making us the fourth among the Top 20 Property Management Companies according to CIA.

We are deeply rooted in the Greater Bay Area, an emerging vibrant world-class city cluster. Benefiting from favorable policies, the economy, in particular the real estate industry, of the Greater Bay Area has demonstrated great development potentials. As of December 31, 2018, out of our 90 projects under management across China, 83 were located in the Greater Bay Area, representing approximately 82.7% of our GFA under management, which percentage was the highest among the Top 20 Property Management Companies in China according to CIA. As of June 30, 2019, out of our 204 property management service projects under management and six municipal sanitation projects across China, 191 were located in the Greater Bay Area, representing approximately 87.7% of our total GFA under management.

Our services are closely tied to people's daily life, and we believe our core value lies in our ability to enable our customers to lead a safe, comfortable, healthy and convenient life. Through over 20 years of unremitting endeavors, we have become a comprehensive property management service provider capable of serving our customers' all-round needs.

Our major services currently include:

- **Property management services.** We provide property developers, property owners and residents with a variety of property management services, primarily including security, cleaning, gardening and repair and maintenance services.

- **Value-added services to non-property owners.** We offer a broad range of property related business solutions to non-property owners, primarily property developers, which cover their entire property development process, consisting of (i) construction site services, including consultancy and security services, (ii) sales assistance services, which assist property developers in showcasing and marketing their properties, including pre-sale consultation, display unit management, organizing sales campaigns as well as visitor reception for property development projects, and (iii) pre-delivery cleaning services, unit cleaning before delivery.

- **Community value-added services.** We provide property owners and residents with a wide spectrum of community value-added services, including (i) public space leasing and parking space management; and (ii) resident services, which focus on the daily needs of property owners and residents, such as featured butler services, community shopping, community news and notifications, bill payment services, repair and maintenance of home appliances and event organization services.

- **Other professional services.** Our other professional services, which differentiate us from our competitors, primarily consist of (i) elevator services, including sale, installation, repair and maintenance of elevators, (ii) intelligent engineering services, including intelligent communities, software development, management of hardware installation and certain maintenance services, and (iii) municipal sanitation services, including urban and rural road cleaning and waste management.

We achieved strong financial performance during the Track Record Period. Our revenue increased at a CAGR of 36.6% from RMB372.9 million in 2016 to RMB695.8 million in 2018, and further increased by 48.1% from RMB307.6 million in the six months ended June 30, 2018 to RMB455.7 million in the same period of 2019. Our net profit increased at a CAGR of 78.8% from RMB20.1 million in 2016 to RMB64.2 million in 2018, and further increased by 50.7% from RMB27.8 million in the six months ended June 30, 2018 to RMB41.8 million in the same period of 2019.

BASIS OF PRESENTATION

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on July 12, 2019. Pursuant to the Reorganization as more fully explained in "History, Reorganization and Corporate Structure—Reorganization" in this prospectus, our Company became the holding company of the companies now constituting our Group on August 1, 2019. The companies now constituting our Group were under the common control of Times China before and after the Reorganization. Accordingly, the combined financial statements have been prepared on a combined basis by applying the principles of merger accounting as if the Reorganization had been completed at the beginning of the Track Record Period.

The combined financial statements has been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**"). All IFRSs effective for the accounting period commencing from January 1, 2019, together with relevant transitional provision, have been early adopted by our Group in the preparation of the combined financial statements throughout the Track Record Period. For more information on the basis of presentation and preparation of our financial information included herein, see the Accountants' Report in Appendix I to this prospectus.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial position have been and will continue to be affected by a number of factors, including those set out in the section entitled "Risk Factors" in this prospectus and those discussed below:

Ability to Respond to Regulatory and Market Conditions of the Property Development and Property Management Industries

Our business and results of operations are affected by our ability to obtain new service engagements from property developers for their new property development projects. The number of new property development projects is dependent on the performance of the real estate market in China, which is subject to the general economic conditions in China, the rate of urbanization and, consequently, the demand for properties in the PRC. Any economic downturn in the PRC, particularly in the regions where we operate, could adversely affect our business, results of operations and financial position. The regulatory environment in the PRC and policies and measures taken by the PRC Government have also affected the development of the real estate market and property management market, which in turn affects our business and results of operations. See "Risk Factors—Risks Relating to Our Business and Industry—A significant portion of our operations are concentrated in the Greater Bay Area, and we are susceptible to any adverse development in government policies or business environment in this region" and "Risk Factors—Risks Relating to Doing Business in China" in this prospectus.

The PRC Government has issued a series of favorable laws and policies to incentivize the development of the property management industry. Such policies, such as the Guide issued by the Ministry of Housing and Urban Development in 2014, have encouraged property management companies like us to expand and modernize their business and have fostered the growth and development of the industry. See "Industry Overview—The PRC Property Management Industry—Market Drivers—Favorable Policies" in this prospectus. However, we cannot guarantee you that the PRC Government will continue to issue such favorable laws, regulations and policies. Moreover, we cannot guarantee you that the PRC Government will not suspend or terminate the current favorable laws, regulations and policies, or that the PRC Government will introduce laws and policies that directly or indirectly discourage the development of the property management industry. Any such changes in the PRC governmental policies may adversely affect our business.

Business Mix

Our results of operations are affected by our business mix. During the Track Record Period, our profit margins varied across our four business lines, namely, property management services, value-added services to non-property owners, community value-added services and other professional services. Our profit margins of different business lines generally depend on types of services provided, fees received and costs borne by us under different contractual arrangements. Any change in the structure of revenue contribution from our four business lines or change in profit margin of any business line may have a corresponding impact on our overall profit margin.

The table below sets forth the revenue by business line for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	221,821	59.5	330,533	63.7	404,071	58.1	194,585	63.3	295,828	64.9
Value-added services to non-property owners	104,190	27.9	100,379	19.3	196,689	28.3	70,316	22.9	116,985	25.7
Community value-added services	39,750	10.7	62,234	12.0	58,985	8.5	27,847	9.1	31,566	6.9
Other professional services	7,114	1.9	25,849	5.0	36,007	5.1	14,862	4.7	11,340	2.5
Total	**372,875**	**100.0**	**518,995**	**100.0**	**695,752**	**100.0**	**307,610**	**100.0**	**455,719**	**100.0**

The table below sets forth the gross profit margin by business line for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2016	2017	2018	2018	2019
	(%)	*(%)*	*(%)*	*(%)*	*(%)*
Property management services	18.4	18.7	24.0	23.0	24.1
Value-added services to non-property owners	22.8	27.1	26.2	27.4	27.6
Community value-added services	51.4	54.6	55.8	57.7	53.6
Other professional services	21.1	25.0	25.3	25.5	19.1
Overall	**23.2**	**25.0**	**27.4**	**27.2**	**26.9**

In general, the gross profit margin generated from our community value-added services is higher than those generated from our property management services, value-added services to non-property owners and other professional services. The relatively higher gross profit margins for our community value-added services during the Track Record Period were primarily because the other three business lines are more labor-intensive than community value-added services. Our overall gross profit margin increased from 2016 to 2018, primarily attributable to economies of scale as a result of continuous expansion of our properties under management and value-added services to non-property owners. The slight decrease in our overall gross profit margin from the six months ended June 30, 2018 to the same period in 2019 was primarily due to a decrease in revenue from public space leasing services under our community value-added services and elevator services under our other professional services. We took initiatives in the six months ended June 30, 2019 to negotiate with customers in our public space leasing business for more favorable terms and to optimize our business model relating to our elevator service business, which resulted in a temporary suspension of signing of new contracts and thus lower revenue was recorded. See "Business—Other Professional Services—Elevator Services" in this prospectus and "—Description of Certain Combined Profit or Loss Statements Items—Gross Profit and Gross Profit Margin" in this section.

Brand Positioning and Pricing Ability

As we operate in a highly competitive and fragmented industry, our results of operations and financial position are affected by our ability to maintain and increase the fee rates we charge for our services. We generally price our services by taking into account a number of factors, including (i) the types and locations of the communities, (ii) our budget, (iii) our target profit margins, (iv) the profiles of property owners and residents, (v) the scope and quality of our services, and (vi) the prices charged by our competitors for comparable properties. We strive to balance competitive pricing, quality service and an attractive profit margin. Failure to balance various factors in determining our pricing could materially and adversely affect our financial condition and results of operations. To strengthen our pricing power, we make efforts to diversify our services by offering more value-added services and further improving our service quality.

Ability to Mitigate the Impact of Rising Labor Costs

Since property management is labor intensive, labor cost constitutes a substantial portion of our cost of sales. During the Track Record Period, our labor costs increased considerably as a result of our business expansion. In 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019, labor costs recorded in cost of sales were RMB169.2 million, RMB218.6 million, RMB286.6 million, RMB140.7 million and RMB225.6 million, respectively, accounting for 59.1%, 56.1%, 56.7%, 62.9% and 67.7%, respectively, of our cost of sales.

To cope with rising labor cost, we have implemented a number of cost-saving measures, including application of advanced technology and automated tools to replace manual labor. See "Business—Technology" in this prospectus. We have also outsourced certain services, such as cleaning, gardening, fire extinguishing system maintenance services pre-delivery cleaning services, to independent service providers while maintaining close supervision over their services to ensure service quality. In 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019, we incurred sub-contracting cost of RMB64.3 million, RMB87.9 million, RMB123.1 million, RMB48.5 million and RMB55.8 million, respectively, representing 22.4%, 22.6%, 24.4%, 21.7% and 16.7%, respectively, of our cost of sales. Our sub-contracting cost as a percentage of our total cost of sale increased from 2016 to 2018, primarily attributable to our business expansion. Our sub-contracting cost decreased in the six months ended June 30, 2019 compared to the same period in 2018, primarily because we started optimizing our business model in relation to elevator services in the six months ended June 30, 2019, and we reduced outsourcing during the transition period.

GFA under Property Management

During the Track Record Period, we generated a majority of our revenue from our property management services, which contributed 59.5%, 63.7%, 58.1% and 64.9%, respectively, of our total revenue in 2016, 2017, 2018 and the six months ended June 30, 2019. Accordingly, our business and results of operations depend on our ability to maintain and increase our GFA under property management, which in turn is affected by our ability to renew existing service contracts and obtain new service contracts. During the Track Record Period, we experienced a steady growth in our total GFA under property management (excluding municipal sanitation services), which was 13.1 million sq.m., 16.0 million sq.m., 18.8 million sq.m. and 34.7 million sq.m., respectively, as of 2016, 2017 and 2018 and June 30, 2019.

During the Track Record Period, a significant portion of properties we managed were developed by Times China Group. As of December 31, 2016, 2017 and 2018 and June 30, 2019, GFA under property management of the properties developed by Times China Group accounted for 76.6%, 74.5%, 71.2% and 44.1%, respectively, of our total GFA under property management. Consequently, the percentage of the GFA under property management of the properties developed by third-party property developers to the total GFA under property management during the Track Record Period increased from 23.4% as of December 31, 2016 to 25.5% as of December 31, 2017, to 28.8% as of December 31, 2018, and further to 55.9% as of June 30, 2019. We have taken continuous efforts to expand our property management services to cover properties developed by third-party property developers, with a view to expanding revenue sources and diversifying our property management portfolio. The significant increase in the contribution of GFA under property management of the properties developed by third-party developers as of June 30, 2019 compared to that as of December 31, 2018 was primarily attributable to our strategic acquisition of Guangzhou Dongkang in March 2019 which brought us diversified clientele.

Ability to Implement our Acquisition Strategy

During the Track Record Period, we acquired several companies, namely, Guangzhou Wanning, Foshan Hetai Property Management, Zhuhai Yuanxing Property Management, Joan Elevator, Guangzhou Dongkang and Qingyuan Rongtai Property Management, which contributed to our business growth and results of operations for these periods. However, we may not be able to achieve desired strategic objectives or the expected return on investment from such acquisitions. See "Risk Factors—Risks Relating to Our Business and Industry—We may fail to achieve the desired benefits from our acquisitions and may need to recognize impairment losses for goodwill recorded in connection with our historical acquisitions" in this prospectus. We plan to continue to make strategic acquisitions in the future. See "Business—Business Strategies—Continue to leverage our proven management system to achieve rapid business growth through strategic acquisitions and investments" in this prospectus. To implement our acquisition strategy, we need to allocate additional capital and human resources. However, we may not be able to identify suitable opportunities and complete acquisitions in a timely manner on terms that allow us to achieve reasonable return, or at all. In addition, the acquisitions may not achieve the anticipated synergy and improve our results of operations as expected. See "Risk Factors—Risks Relating to Our Business and Industry—Our future acquisitions may not be successful" in this prospectus.

Competition

Our industry is highly competitive and fragmented, and we compete with other property management service providers on a number of aspects, including business scale, brand recognition, profitability, financial resources and adequacy of financing, price, diversity of services and service quality. See "Business—Competition" and "Industry Overview—The PRC Property Management Industry—Competition Landscape" in this prospectus. We were ranked 13th among the 2019 TOP 100 Property Management Companies in terms of overall strength according to CIA. Our ability to compete effectively with our competitors and maintain or improve our market position depends on our ability to solidify our competitive strengths. If we fail to compete and expand our GFA under property management, we may lose market position in our principal business lines and our revenue and profitability may decrease.

SIGNIFICANT ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

We have identified certain accounting policies and critical accounting judgments and estimates that are significant to the preparation of our financial statements. Our significant accounting policies, critical accounting judgments and estimates, which are important for an understanding of our financial position and results of operations, are set forth in details in Note 2.4 and 3 of the Accountants' Report in Appendix I to this prospectus. Our significant accounting policies include, among others:

Revenue Recognition

Contracts with customers

We provide property management services, value-added services to non-property owners, community value-added services and other professional services. We recognize revenue from contracts with customers when services are rendered to the customer at an amount that reflects the consideration to which we expect to be entitled in exchange of those services.

If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

Property management services

For property management services, we bill a fixed amount for services provided on a monthly or quarterly basis and recognize as revenue in the amount to which we have a right to invoice and that corresponds directly with the value of performance completed.

For property management services income from properties managed under lump sum basis, where we act as principal and are primary responsible for providing the property management services to the property owners, we recognize the fee received or receivable from property owners as its revenue and all related property management costs as its cost of services.

Value-added services to non-property owners

Value-added services to non-property owners mainly include construction site services, sales assistance services and pre-delivery cleaning services. We negotiate and agree with customers on the price for each service upfront and issue monthly bill to customers. These monthly bills vary based on the actual level of service completed in the corresponding month.

Community value-added services

Our community value-added services are provided through (i) our daily interactions with property owners and residents during the process of providing property management services and (ii) our mobile app, "Neighborhood Services" (鄰里邦). We recognize revenue from daily services when the services are rendered and revenue from sales of goods is recognized at the point in time when control of the asset is transferred to the customer. Payment of the transaction is due immediately when the community value-added services are rendered to the customer.

Other professional services

Our other professional services mainly include elevator services (consisting of sale, installation, repair and maintenance of elevators), intelligent engineering and municipal sanitation services. We recognize revenue from sale of elevators and elevator parts at the point in time when control of the asset is transferred to the customer and we recognize revenue from other professional services when the services are rendered. We agree the price for each service with the customers upfront and issues bills to the customers based on the progress of services.

Revenue from Other Sources

Interest income

We recognize interest income on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument of the net carrying amount of the financial asset.

Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. The cost of such an item comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, we recognize such parts as individual assets with specific useful lives and depreciate them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvement	20%-33%
Motor vehicles	19%
Office equipment	9.5%-19%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year/period end.

An item of property, plant and equipment, including any significant part initially recognized, is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in profit or loss in the year/period the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible Assets (Other than Goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year/period end.

Software is stated at cost less any impairment loss and is amortized on the straight-line basis over their estimated useful lives of 5 to 10 years.

Property management service contracts acquired in business combinations are recognized at fair value at the acquisition date. The property management service contracts have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected useful lives of the contracts of 2 to 20 years.

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalized and deferred only when we can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Development cost is stated at cost less any accumulated impairment losses. Development cost not yet available for use is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Development cost is reclassified to software when available for use.

Right-of-Use Assets

We recognize right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Unless we are reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease Liabilities

We recognize lease liabilities at the commencement date of the lease, at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by us and payments of penalties for terminating a lease, if the lease term reflects us exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, we use the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Impairment of Financial Assets

We recognize an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that we expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Track Record Period, we assess whether the credit risk on a financial instrument has increased significantly since the initial recognition. When making the assessment, we compare the risk of a default occurring on the financial instrument as of the reporting date with the risk of a default occurring on the financial instrument as of the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

We consider a financial asset in default when contractual payments are 30 days past due. However, in certain cases, we may also consider a financial asset to be in default when internal or external information indicates that we are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by us. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortized cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when we apply the practical expedient of not adjusting the effect of a significant financing component, we apply the simplified approach in calculating ECLs. Under the simplified approach, we do not track changes in credit risk, but instead recognize a loss allowance based on lifetime ECLs at each reporting date. We have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component, we choose as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition as payables. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. Our financial liabilities include trade and other payables, lease liabilities, an amount due to an associate and other interest-bearing borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification.

Income Tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the years ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019, taking into consideration interpretations and practices prevailing in the countries in which we operate.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the years ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019 between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each of the years ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019 and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each of the years ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019 to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are offset if and only if we have a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred Tax Assets

We recognize deferred tax assets for all deductible temporary differences, the carryforward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. For details, please see Note 19 to the Accountants' Report in Appendix I to this prospectus.

Impairment of Goodwill

We determine goodwill impairment at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires us to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill as of December 31, 2016, 2017, 2018 and June 30, 2019 amounted to RMB47.2 million, RMB47.2 million, RMB47.2 million and RMB68.8 million, respectively. For details, please see Note 16 to the Accountants' Report in Appendix I to this prospectus.

Impairment of Non-financial Assets (Other than Goodwill)

We assess whether there are any indicators of impairment for all non-financial assets at the end of each of the years ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for Expected Credit Losses on Trade Receivables

We use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and service type).

The provision matrix is initially based on our historical observed default rates. We will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. Our historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on our trade receivables is set forth in details in Note 21 of the Accountants' Report in Appendix I to this prospectus.

Impact of Adoption of New and Amendments to Certain Accounting Policies

We have consistently applied IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" throughout the Track Record Period. The adoption of IFRS 9 and IFRS 15 does not have significant impact on our financial position and performance when compared to that of IAS 39 "Financial Instruments: Recognition and Measurement" and IAS 18 "Revenue." The adoption of IFRS 16 does not have significant impact on our financial position and performance when compared to that of IAS 17 "Leases."

DESCRIPTION OF CERTAIN COMBINED PROFIT OR LOSS STATEMENTS ITEMS

The following table sets forth a summary of our combined statements of profit or loss for the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	For the year ended December 31,			For the six months ended June 30,	
	2016	**2017**	**2018**	**2018**	**2019**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Revenue	**372,875**	**518,995**	**695,752**	**307,610**	**455,719**
Cost of sales	(286,354)	(389,484)	(505,254)	(223,805)	(333,165)
Gross profit	**86,521**	**129,511**	**190,498**	**83,805**	**122,554**
Other income and gains	898	2,745	2,055	999	2,305
Selling and marketing costs	(6,352)	(7,416)	(8,466)	(3,315)	(4,655)
Administrative expenses	(42,000)	(70,106)	(89,717)	(38,252)	(48,194)
Impairment losses on financial assets	(2,350)	(2,697)	(1,714)	(3,090)	(2,992)
Other expenses	(3,415)	(2,655)	(4,901)	(2,278)	(7,446)
Finance costs, net	(3,828)	(4,836)	(4,606)	(2,277)	(6,006)
Share of profit of an associate	785	2,317	3,437	1,468	1,242
Profit before tax	30,259	46,863	86,586	37,060	56,808
Income tax expense	(10,194)	(12,688)	(22,422)	(9,292)	(14,963)
Profit for the year/period	**20,065**	**34,175**	**64,164**	**27,768**	**41,845**

Revenue

During the Track Record Period, we derived our revenue from the following four business lines:

(i) property management services, primarily including security, cleaning, gardening and repair and maintenance services, representing 59.5%, 63.7%, 58.1%, 63.3% and 64.9% of our total revenue in 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019, respectively;

(ii) value-added services to non-property owners, primarily including construction site services, sales assistance services and pre-delivery cleaning services, representing 27.9%, 19.3%, 28.3%, 22.9% and 25.7% of our total revenue in 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019, respectively;

(iii) community value-added services, primarily including public space leasing and parking space management and resident services, representing 10.7%, 12.0%, 8.5%, 9.1%, and 6.9% of our total revenue in 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019, respectively; and

(iv) other professional services, primarily including elevator services, intelligent engineering services and municipal sanitation services, representing 1.9%, 5.0%, 5.1%, 4.7% and 2.5% of our total revenue in 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019, respectively.

The following table sets forth a breakdown of our revenue from related parties and independent third parties by business line for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	**221,821**	**59.5**	**330,533**	**63.7**	**404,071**	**58.1**	**194,585**	**63.3**	**295,828**	**64.9**
Related parties	15,758	4.2	24,316	4.7	31,111	4.5	13,847	4.5	26,117	5.7
Independent third parties	206,063	55.3	306,217	59.0	372,960	53.6	180,738	58.8	269,711	59.2
Value-added service to non-property owners	**104,190**	**27.9**	**100,379**	**19.3**	**196,689**	**28.3**	**70,316**	**22.9**	**116,985**	**25.7**
Related parties	104,190	27.9	96,716	18.6	188,840	27.1	64,792	21.1	110,705	24.3
Independent third parties	–	–	3,663	0.7	7,849	1.2	5,524	1.8	6,280	1.4
Community value-added services	**39,750**	**10.7**	**62,234**	**12.0**	**58,985**	**8.5**	**27,847**	**9.1**	**31,566**	**6.9**
Related parties	2,465	0.7	3,037	0.6	4,102	0.6	2,135	0.7	3,219	0.7
Independent third parties	37,285	10.0	59,197	11.4	54,883	7.9	25,712	8.4	28,347	6.2
Other professional services	**7,114**	**1.9**	**25,849**	**5.0**	**36,007**	**5.1**	**14,862**	**4.7**	**11,340**	**2.5**
Related parties	1,435	0.4	5,236	1.0	16,502	2.3	5,875	1.8	2,869	0.6
Independent third parties	5,679	1.5	20,613	4.0	19,505	2.8	8,987	2.9	8,471	1.9
Total	**372,875**	**100.0**	**518,995**	**100.0**	**695,752**	**100.0**	**307,610**	**100.0**	**455,719**	**100.0**

Revenue from property management services

Revenue from property management services generally increased during the Track Record Period, primarily driven by the increase in the total GFA under property management as a result of our business expansion. Our total GFA under property management (excluding municipal sanitation services) as of December 31, 2016, 2017 and 2018 and June 30, 2019 was approximately 13.1 million sq.m., 16.0 million sq.m., 18.8 million sq.m. and 34.7 million sq.m., respectively. The significant increase in our total GFA under property management as of June 30, 2019 compared to December 31, 2018 was primarily attributable to our strategic acquisition of Guangzhou Dongkang in March 2019, which added GFA under property management of approximately 13.4 million sq.m. to our portfolio.

Under the PRC laws, property management fees may be charged either on a lump sum basis or on a commission basis. According to CIA, charging property management fees on a lump sum basis, which typically incentivizes property management companies to implement cost-saving initiatives and improve operational efficiency, is the prevailing industry practice in China. In line with such industry practice, during the Track Record Period, we charged property management fees on a lump sum basis for all of the properties we managed.

During the Track Record Period, we derived a majority of our revenue from property management services for properties developed by Times China Group, which accounted for 81.2%, 77.1%, 73.2%, 72.3% and 64.9%, respectively, of our total revenue from property management services in 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019. The general decrease in the percentage of revenue contribution from property management services for properties developed by Times China Group to the total revenue from property management services during the Track Record Period was primarily attributable to our continuous effort to strategically expand and diversify the clientele of our property management services, such as our strategic acquisition of Guangzhou Dongkang in March 2019.

The following table sets forth our GFA under property management as of the dates and revenue generated from property management services by property developer for the periods indicated.

	As of or for the year ended December 31,									As of or for the six months ended June 30,					
	2016			2017			2018			2018			2019		
	GFA	Revenue		GFA	Revenue		GFA	Revenue		GFA	Revenue		GFA	Revenue	
	(sq.m.)	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*
	(in thousands except for percentages)														
Times China Group[(1)]	10,007	180,186	81.2	11,962	254,952	77.1	13,356	295,634	73.2	12,704	140,598	72.3	15,279	191,969	64.9
Third-party property developers[(2)]															
Properties solely developed by third-party property developers	3,059	41,635	18.8	4,084	75,581	22.9	4,702	105,631	26.1	4,084	52,781	27.1	18,687	102,250	34.6
Properties jointly developed by Times China Group and other property developers	–	–	–	–	–	–	712	2,806	0.7	712	1,206	0.6	712	1,609	0.5
Subtotal	3,059	41,635	18.8	4,084	75,581	22.9	5,414	108,437	26.8	4,796	53,987	27.7	19,399	103,859	35.1
Total	**13,066**	**221,821**	**100.0**	**16,046**	**330,533**	**100.0**	**18,770**	**404,071**	**100.0**	**17,500**	**194,585**	**100.0**	**34,678**	**295,828**	**100.0**

Notes:

(1) Includes properties solely developed by Times China Group and properties that Times China Group jointly developed with other property developers for which properties Times China Group held a controlling interest. In 2016, 2017 and 2018 and the six months ended June 30, 2019, revenue we generated from Times China Group in relation to management of such properties amounted to RMB13.4 million, RMB14.3 million, RMB19.2 million and RMB19.4 million, respectively. During the same period, revenue we generated from property owners and residents in relation to management of such properties amounted to RMB166.8 million, RMB240.7 million, RMB276.4 million and RMB172.6 million, respectively.

(2) Includes properties solely developed by third-party property developers independent from Times China Group, as well as properties jointly developed by Times China Group and other property developers for which Times China Group did not hold a controlling interest. Properties developed by third-party property developers also include government-owned buildings and other public properties, which are constructed by third-party construction companies.

During the Track Record Period, a majority of our revenue from property management services was derived from residential properties, which accounted for 73.8%, 72.5%, 70.1%, 71.2% and 62.2%, respectively, of our total revenue from property management services in 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019. The general decrease in the percentage reflected our continuous efforts to strategically diversify property portfolio for management.

The following table sets forth a breakdown of our GFA under property management as of the dates and our revenue generated from property management services by type of properties for the periods indicated.

	As of or for the year ended December 31,									As of or for the six months ended June 30,					
	2016			2017			2018			2018			2019		
	GFA	Revenue		GFA	Revenue		GFA	Revenue		GFA	Revenue		GFA	Revenue	
	(sq.m.)	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*	*(sq.m.)*	*(RMB)*	*(%)*
	(in thousands except for percentages)														
Residential properties	7,351	163,681	73.8	8,989	239,600	72.5	10,764	283,107	70.1	9,785	138,632	71.2	12,956	184,016	62.2
Non-residential properties[(1)]	5,715	58,140	26.2	7,057	90,933	27.5	8,006	120,964	29.9	7,715	55,953	28.8	21,722	111,812	37.8
Total	**13,066**	**221,821**	**100.0**	**16,046**	**330,533**	**100.0**	**18,770**	**404,071**	**100.0**	**17,500**	**194,585**	**100.0**	**34,678**	**295,828**	**100.0**

Note:

(1) Include offices, commercial complexes, industrial parks, government office buildings, hospitals, airports, schools, museums, concert halls and parking spaces sold to property owners.

Revenue from value-added services to non-property owners

We provide value-added services to non-property owners (mainly property developers), primarily including construction site services, sales assistance services and pre-delivery cleaning services. During the Track Record Period, we also provided house repair services to property developers upon the delivery of properties to their customers. The following table sets forth the components of our revenue from value-added services to non-property owners for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Sales assistance services	56,262	54.0	67,961	67.7	121,605	61.9	49,139	69.9	84,027	71.9
Construction site services	18,838	18.1	20,944	20.9	42,566	21.6	13,773	19.6	20,979	17.9
Pre-delivery cleaning services	15,030	14.4	10,498	10.5	31,830	16.2	7,404	10.5	11,979	10.2
House repair services[(1)]	14,060	13.5	976	0.9	688	0.3	–	–	–	–
Total	**104,190**	**100.0**	**100,379**	**100.0**	**196,689**	**100.0**	**70,316**	**100.0**	**116,985**	**100.0**

Note:

(1) House repair services generally refer to repairing services we provide to property developers following the delivery of properties to their customers to amend defects detected during delivery inspection. We substantially reduced house repair services in 2017.

Revenue from community value-added services

We generate revenue from two categories of value-added services we provide to communities, including (i) public space leasing and parking space management, including public facilities and space leasing services and parking space management services; and (ii) resident services, such as community shopping and repair and maintenance of home appliances. The following table sets forth the components of our revenue from community value-added services for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Public space leasing and parking space management	30,947	77.9	42,934	69.0	43,069	73.0	20,832	74.8	23,737	75.2
Resident services	8,803	22.1	19,300	31.0	15,916	27.0	7,015	25.2	7,829	24.8
Total	**39,750**	**100.0**	**62,234**	**100.0**	**58,985**	**100.0**	**27,847**	**100.0**	**31,566**	**100.0**

Revenue from other professional services

We provide other professional services to our customers, which primarily include elevator services, intelligent engineering services and municipal sanitation services. Revenue from other professional services generally increased from 2016 to 2018, primarily attributable to our revenue from elevator services starting from September 2016. Our revenue from other professional services decreased in the six months ended June 30, 2019 from the same period in 2018, primarily because we were in the course of optimizing our business model for elevator services and temporarily and partially suspended entering into new agreements with elevator suppliers and purchasers in the six months ended June 30, 2019. See "Business—Other Professional Services—Elevator Services" in this prospectus. The following table sets forth the components of our revenue from other professional services for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Elevator services	5,665	79.6	21,067	81.5	28,036	77.9	8,813	59.3	4,383	38.7
Intelligent engineering services.	1,449	20.4	4,782	18.5	7,971	22.1	6,049	40.7	2,038	18.0
Municipal sanitation services.	–	–	–	–	–	–	–	–	4,919	43.3
Total	**7,114**	**100.0**	**25,849**	**100.0**	**36,007**	**100.0**	**14,862**	**100.0**	**11,340**	**100.0**

Cost of Sales

Our cost of sales mainly consists of (i) labor costs, (ii) cleaning and gardening expenses, (iii) maintenance costs, (iv) other sub-contracting costs, (v) utilities costs, (vi) inventory costs, (vii) depreciation and amortization, and (viii) others, which primarily includes insurance premium expenses and consultancy fee. The general increase in cost of sales during the Track Record Period was primarily attributable to the increase in our GFA under property management resulting from the expansion of our property management services business.

The following table sets forth the components of our cost of sales for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Labor costs	169,178	59.1	218,621	56.1	286,642	56.7	140,700	62.9	225,614	67.7
Cleaning and gardening expenses(1)	50,241	17.5	85,274	21.9	101,330	20.1	45,592	20.4	60,706	18.2
Maintenance costs	24,974	8.7	22,999	5.9	24,325	4.8	7,368	3.3	13,942	4.2
Other sub-contracting costs(2)	16,138	5.6	21,029	5.4	46,662	9.2	12,993	5.8	11,827	3.5
Utilities costs	9,454	3.3	15,528	4.0	16,079	3.2	8,520	3.8	7,740	2.3
Inventory costs(3)	3,617	1.3	2,404	0.6	3,441	0.7	1,279	0.6	1,110	0.3
Depreciation and amortization	5	–	1,582	0.4	1,651	0.3	788	0.4	952	0.3
Others	12,747	4.5	22,047	5.7	25,124	5.0	6,565	2.8	11,274	3.5
Total	**286,354**	**100.0**	**389,484**	**100.0**	**505,254**	**100.0**	**223,805**	**100.0**	**333,165**	**100.0**

Notes:

(1) Include the fees paid to sub-contractors as we outsourced a substantial portion of our cleaning and gardening services.

(2) Primarily related to the sub-contracting of fire extinguishing system maintenance services and pre-delivery cleaning services. Excludes the fees paid to sub-contractors for cleaning and gardening services.

(3) Primarily include products we sell on our Neighborhood Services mobile app, costs of elevators sold and components and parts of elevators consumed for elevator maintenance and installation services.

During the Track Record Period, labor costs contributed a majority of our cost of sales. The increase in labor costs during the Track Record Period was mainly due to (i) an increase in the number of employees as a result of the expansion of our business; (ii) an increase in the average salary; and (iii) additional employees as a result of the acquisition of Guangzhou Dongkang in March 2019.

For illustration purposes only, we set out below a sensitivity analysis of our profit for the periods indicated with reference to the fluctuation of cost of sales during the Track Record Period. The following table demonstrates the impact of the hypothetical increase in cost of sales on our profit, while all other factors remain unchanged:

	For the years ended December 31,			For the six months ended June 30,	
	2016	2017	2018	2018	2019
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Total profit for the year/period	20,065	34,175	64,164	27,768	41,845
Assuming 5% increase in our cost of sales					
Impact on cost of sales	14,318	19,474	25,263	11,190	16,658
Impact on profit for the year/period	(10,739)	(14,606)	(18,947)	(8,393)	(12,494)
Assuming 10% increase in our cost of sales					
Impact on cost of sales	28,635	38,948	50,525	22,381	33,317
Impact on profit for the year/period	(21,476)	(29,211)	(37,894)	(16,786)	(24,988)

Gross Profit and Gross Profit Margin

Our gross profit margin in 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019 was 23.2%, 25.0%, 27.4%, 27.2% and 26.9%, respectively. Our overall gross profit margins are affected, to a large extent, by our business mix.

The following table sets forth our gross profit and gross profit margin by business line for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*
Property management services	40,832	18.4	61,857	18.7	97,031	24.0	44,697	23.0	71,189	24.1
Value-added services to non-property owners	23,752	22.8	27,236	27.1	51,438	26.2	19,264	27.4	32,271	27.6
Community value-added services	20,439	51.4	33,952	54.6	32,914	55.8	16,060	57.7	16,925	53.6
Other professional services	1,498	21.1	6,466	25.0	9,115	25.3	3,784	25.5	2,169	19.1
Total/Overall	**86,521**	**23.2**	**129,511**	**25.0**	**190,498**	**27.4**	**83,805**	**27.2**	**122,554**	**26.9**

Property management services

Gross profit margin for our property management services is, to a large extent, dependent on the average property management fees per sq.m. per month we charge for our property management services and our cost of sales per sq.m. per month for providing such services. The average property management fees we charged was approximately RMB2.69 per sq.m. per month, RMB2.67 per sq.m. per month, RMB2.68 per sq.m. per month, RMB2.68 per sq.m. per month and RMB3.48 sq.m. per month in 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019, respectively. The average property management fees remained stable in 2016, 2017 and 2018. The increase in the average property management fees in the six months ended June 30, 2019 was primarily attributable to a significant increase in GFA under management of non-residential properties, such as government buildings, museums and public facilities, as a result of our strategic acquisition of Guangzhou Dongkang in March 2019. Generally, management services provided for government buildings, museums and public facilities had relatively higher property management fees than those for residential properties. The general increase in our gross profit margin for property management services during the Track Record Period was primarily attributable to economies of scale as a result of our business expansion. In particular, the increase in gross profit margin for our property management services in 2018 was primarily attributable to our enhanced standardization and automation in operation.

The following table sets out a breakdown of our GFA under property management as of the dates indicated and average property management fee per sq.m. per month by types of property:

	As of or for the year ended December 31,						As of or for the six months ended June 30,			
	2016		2017		2018		2018		2019	
	GFA under property management	Average property management fee	GFA under property management	Average property management fee	GFA under property management	Average property management fee	GFA under property management	Average property management fee	GFA under property management	Average property management fee
	(sq.m.'000)	*(RMB)*	*(sq.m.'000)*	*(RMB)*	*(sq.m.'000)*	*(RMB)*	*(sq.m.'000)*	*(RMB)*	*(sq.m.'000)*	*(RMB)*
Residential properties	7,351	2.23	8,989	2.32	10,764	2.39	9,785	2.37	12,956	2.50
Non-residential properties	5,715	9.35	7,057	8.51	8,006	8.04	7,715	9.15	21,722	5.39
Total/Overall	**13,066**	**2.69**	**16,046**	**2.67**	**18,770**	**2.68**	**17,500**	**2.68**	**34,678**	**3.48**

The following table sets out a breakdown of our GFA under property management as of the dates indicated and average property management fees per sq.m. per month by property developers for the periods indicated:

	As of or for the year ended December 31,						As of or for the six months ended June 30,			
	2016		2017		2018		2018		2019	
	GFA (sq.m.'000)	Average Property Management Fee (RMB)	GFA (sq.m.'000)	Average Property Management Fee (RMB)	GFA (sq.m.'000)	Average Property Management Fee (RMB)	GFA (sq.m.'000)	Average Property Management Fee (RMB)	GFA (sq.m.'000)	Average Property Management Fee (RMB)
Times China Group[(1)]	10,007	2.95	11,962	2.98	13,356	3.05	12,704	3.03	15,279	3.13
Third-party property developers[(2)]										
Properties solely developed by third-party property developers	3,059	2.25	4,084	2.20	4,702	2.13	4,084	2.16	18,687	3.72
Properties jointly developed by Times China Group and other property developers	–	–	–	–	712	1.72	712	1.72	712	1.72
Subtotal	3,059	2.25	4,084	2.20	5,414	2.12	4,796	2.14	19,399	3.69
Total/Overall	**13,066**	**2.69**	**16,046**	**2.67**	**18,770**	**2.68**	**17,500**	**2.68**	**34,678**	**3.48**

Notes:

(1) Includes properties solely developed by Times China Group and properties that Times China Group jointly developed with other property developers for which properties Times China Group held a controlling interest. In 2016, 2017 and 2018 and the six months ended June 30, 2019, revenue we generated from Times China Group in relation to management of such properties amounted to RMB13.4 million, RMB14.3 million, RMB19.2 million and RMB19.4 million, respectively. During the same period, revenue we generated from property owners and residents in relation to management of such properties amounted to RMB166.8 million, RMB240.7 million, RMB276.4 million and RMB172.6 million, respectively.

(2) Includes properties solely developed by third-party property developers independent from Times China Group, as well as properties jointly developed by Times China Group and other property developers for which Times China Group did not hold a controlling interest. Properties developed by third-party property developers also include government-owned buildings and other public properties, which are constructed by third-party construction companies.

In 2016, 2017 and 2018, the average management fees per sq.m. per month for properties developed by Times China Group were higher than that of properties developed by third-party property developers, primarily because a significant portion of properties (mainly residential properties) developed by third-party property developers were "old communities," the property management fees of which were relatively lower than that of residential properties developed by Times China Group. In the six months ended June 30, 2019, there was a significant increase in the average management fees per sq.m. per month for properties solely developed by third-party property developers, primarily attributable to an increased portion of non-residential properties as a result of our acquisition of Guangzhou Dongkang in March 2019, which generally commanded higher average management fees than that of properties developed by Times China Group which primarily comprised residential properties. In 2018 and in the six months ended June 30, 2019, our properties jointly developed by Times China Group and other property developer were located in third-tier cities. The property management fees for such properties were much lower than that for properties developed by Times China Group and solely developed by third-party property developers, some of which are located in first- and second-tier cities.

For illustration purposes only, we set out below a sensitivity analysis of our profit for the periods indicated with reference to the fluctuation of average property management fees during the Track Record Period. The following table demonstrates the impact of the hypothetical decrease in average property management fees on our profit, while all other factors remain unchanged:

	For the years ended December 31,			For the six months ended June 30,	
	2016	2017	2018	2018	2019
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Total profit for the year/period	20,065	34,175	64,164	27,768	41,845
Assuming 5% decrease in our average property management fees					
Impact on revenue from our property management business	(11,091)	(16,527)	(20,204)	(9,729)	(14,791)
Impact on profit for the year/period	(8,318)	(12,395)	(15,153)	(7,297)	(11,093)
Assuming 10% decrease in our average property management fees					
Impact on revenue from our property management business	(22,182)	(33,053)	(40,407)	(19,459)	(29,583)
Impact on profit for the year/period	(16,637)	(24,790)	(30,305)	(14,594)	(22,187)

Value-added services to non-property owners

Gross profit margin for our value-added services to non-property owners was 22.8%, 27.1%, 26.2%, 27.4% and 27.6%, respectively, in 2016, 2017, 2018 and six months ended June 30, 2018 and 2019. The gross profit margin for our value-added services to non-property owners is affected by the service mix under this business line. Among the four major types of services under this business line, house repair services and pre-delivery cleaning services usually generate relatively low gross profit margins while construction site services and sale assistance services generate relatively high gross profit margins. The gross profit margin for our value-added services to non-property owners increased in 2017 as compared to that of 2016, primarily due to the increase in revenue contribution from sales assistance services and construction site services and the decrease in revenue contribution from our house repair services and pre-delivery cleaning services. The gross profit margin for our value-added services to non-property owners decreased in 2018 as compared to that of 2017, primarily due to an increase in revenue contribution from pre-delivery cleaning services in 2018. The gross profit margin for our value-added services to non-property owners remained relatively stable in the six months ended June 30, 2019 compared to the same period in 2018.

Community value-added services

The gross profit margin for our community value-added services increased in 2016, 2017 and 2018, primarily due to the economies of scale for our resident services to property owners and residents and our optimization of labor force. The decrease in gross profit margin for our community value-added services in the six months ended June 30, 2019 compared to that for the same period in 2018 was primarily due to a decrease in our revenue from leasing of advertising spaces. In the six months ended June 30, 2019, as part of our business optimizing initiative, we started expanding our customer base and establishing new business arrangement with existing customers and new customers by applying increased service fees charged to them, leveraging our resources, reputation and market position. During the negotiation, we did not renew the agreements with some of the existing customers and thus, the revenue recorded from public space leasing in the six months ended June 30, 2019 decreased from the same period in 2018. Such decrease in revenue outpaced the reduction in cost of sales since a substantial portion of our cost of sales consists of fixed costs such as labor costs. As of the date of this prospectus, we have entered into new service agreements with a number of existing customers and new customers.

Other professional services

Our other professional services mainly include elevator services (consisting of sale, installation, repair and maintenance of elevators), intelligent engineering and municipal sanitation services. The gross profit margin for our other professional services is affected by our service mix in this business line. The increase of gross profit margin for our other professional services in 2017 from 2016 was because of an increase in the contribution from elevator services which had a relatively high gross profit margin. The decrease in the gross profit margin for other professional services for the six months ended June 30, 2019 as compared to that for the same period in 2018 was primarily due to (i) a decrease in the revenue from elevator services, mainly because we were in the course of optimizing our business model for elevator services and temporarily and partially suspended entering into new agreements with elevator suppliers and purchasers in the six months ended June 30, 2019 (See "Business—Other Professional Services—Elevator Services" in this prospectus); and (ii) a decrease in revenue from intelligent engineering services, mainly because a substantial portion of the projects undertaken by us were expected to be completed in the second half of 2019.

Other Income and Gains

Our other income and gains mainly consist of bank interest income, gain on disposal of financial assets at fair value through profit or loss, government grants and exchange gains.

The following table sets forth the components of our other income for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Bank interest income	259	28.8	1,001	36.5	722	35.1	499	49.9	514	22.3
Gain on disposal of financial assets at fair value through profit or loss	–	–	423	15.4	506	24.6	138	13.8	1,263	54.8
Government grant[1]	–	–	1,162	42.3	406	19.8	300	30.0	100	4.3
Exchange gains	468	52.1	–	–	308	15.0	41	4.1	26	1.1
Others[2]	171	19.1	159	5.8	113	5.5	21	2.2	402	17.5
Total	**898**	**100.0**	**2,745**	**100.0**	**2,055**	**100.0**	**999**	**100.0**	**2,305**	**100.0**

Notes:

(1) Government grant primarily includes subsidies granted to some of our subsidiaries that are qualified as high-tech companies, the awards for our achievements in research and development.

(2) Others mainly include VAT tax credits.

Our gain on disposal of financial assets at fair value through profit or loss was mainly generated from our investment in wealth management products, which were primarily principal protected Renminbi-denominated products that we purchased from licensed commercial banks with an annual return rate of 2.5% to 3% and typically redeemable upon demand. In 2016, 2017, 2018 and the six months ended June 30, 2019, we purchased wealth management products in an aggregate amount of nil, RMB56.3 million, RMB292.2 million and RMB287.8 million (including RMB12.0 million arising from acquisition of Guangzhou Dongkang), respectively. As of December 31, 2016, 2017 and 2018 and June 30, 2019, there was no balance of such wealth management products.

With respect to a majority of the wealth management products we invested in, our full recovery of the principal investment amounts is guaranteed and protected by the respective banks. These wealth management products we invested in during the Track Record Period were mainly used by the issuing banks to invest in (i) highly liquid assets, including, but not limited to, PRC government bonds, financial bonds, corporate bonds, enterprise bonds, short-term financing instruments, medium-term notes and other investment-grade debt instruments; and (ii) various types of asset management plans, or a combination of any of the foregoing. According to the underlying contracts for these wealth management products, the investment allocation decisions of these funds are generally made by the licensed commercial banks on a discretionary basis. We made investments in these wealth management products primarily for the purposes of gaining with higher short-term investment returns than the fixed rate returns from cash deposits at banks.

We have adopted investment and treasury policies and internal control measures to review and monitor our investment risks. We consider the profits expected to be generated and the risks expected to be involved before we make any investment. In accordance with our internal wealth investment policy, we generally only purchase short-term wealth management products, typically those redeemable upon demand, issued by large state-owned licensed banks or listed licensed banks in China. Our finance department is responsible for selecting reputable commercial banks, assessing the relevant financial risks by considering our financial condition and cash flows and market conditions such as fluctuations of money market yields, and ascertaining a pool of wealth management products. For each investment that we decide to make, we maintain detailed accounting records and review the investments on a regular basis. To achieve reasonably higher return on our excess cash than regular bank deposits, we may continue to take a prudent approach to make selective investment in similar wealth management products with low risk, such as principal protected wealth management products from reputable PRC banks usually with annualized interest rate above the bank deposit interest rate, in accordance with our internal wealth investment policies.

Selling and Marketing Expenses

Our selling and marketing expenses mainly consist of advertising expenses, labor costs, consultancy service fee for tendering for new projects and entertainment expenses. The general increase in our selling and marketing expenses from 2016 to 2018 was a result of increases in labor costs, consultancy service fee and entertainment expenses, which was partially offset by a decrease in advertisement expenses. The decrease in advertising expenses was primarily due to the adoption of online advertising means, such as the advertising through our Neighborhood Services mobile app, which is generally more cost efficient than traditional advertising. Our labor costs increased in the six months ended June 30, 2019, primarily due to an increase in the number of selling and marketing employees as a result of our acquisition of Guangzhou Dongkang in March 2019 and an increase in advertising expenses incurred in relation to our special anniversary promotional event.

The following table sets forth the components of our selling and marketing expenses for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Advertising expenses	5,052	79.5	4,582	61.8	3,247	38.4	1,583	47.8	2,059	44.2
Labor costs	527	8.3	1,287	17.4	1,799	21.2	652	19.7	1,374	29.5
Consultancy service fee	30	0.5	79	1.1	1,802	21.3	349	10.5	528	11.3
Entertainment expenses	495	7.8	1,030	13.9	1,165	13.8	472	14.2	486	10.4
Travel Expenses	88	1.4	152	2.0	371	4.4	212	6.4	124	2.7
Others(1)	160	2.5	286	3.8	82	0.9	47	1.4	84	1.9
Total	**6,352**	**100.0**	**7,416**	**100.0**	**8,466**	**100.0**	**3,315**	**100.0**	**4,655**	**100.0**

Note:

(1) Others mainly include office expenses.

Administrative Expenses

Our administrative expenses mainly consist of labor costs for our administrative staff, office expenses, depreciation and amortization and, training costs and travel and transportation costs. The general increase in administrative expenses during the Track Record Period was primarily attributable to our business expansion and the acquisition of Guangzhou Dongkang in March 2019.

The following table sets forth the components of our administrative expenses for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Labor costs	19,022	45.3	32,161	45.9	44,368	49.5	22,011	57.5	26,141	54.2
Office expenses	7,835	18.7	12,283	17.5	15,800	17.6	4,756	12.4	7,279	15.1
Depreciation and amortization	3,939	9.4	6,424	9.2	7,297	8.1	2,159	5.6	4,282	8.9
Training costs[1]	1,678	4.0	2,256	3.2	4,150	4.6	2,022	5.3	2,452	5.1
Travel and transportation costs	3,846	9.2	5,039	7.2	5,502	6.1	2,046	5.3	2,374	4.9
Professional service fee	2,028	4.8	4,030	5.7	3,467	3.9	1,281	3.3	947	2.0
Entertainment expenses	1,136	2.7	2,650	3.8	2,225	2.5	758	2.0	1,194	2.5
Bank charge	1,419	3.4	1,731	2.5	2,591	2.9	861	2.3	1,143	2.4
Insurance fee	491	1.2	770	1.1	1,385	1.5	845	2.2	851	1.8
Others[2]	606	1.3	2,762	3.9	2,932	3.3	1,513	4.1	1,531	3.1
Total	**42,000**	**100.0**	**70,106**	**100.0**	**89,717**	**100.0**	**38,252**	**100.0**	**48,194**	**100.0**

Notes:

(1) Training costs mainly refer to administrative expenses incurred in connection with Times Neighborhood College.

(2) Others mainly include costs of staff uniforms, event organization expenses and recruiting expenses, among other things.

Impairment Losses on Financial Assets

Our impairment losses on financial assets are primarily related to provisions on trade receivables. We assess impairment losses on financial assets based on a number of factors, including the length of overdue period, historical payment records and forward-looking information. In 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019, our impairment losses on financial assets was RMB2.4 million, RMB2.7 million, RMB1.7 million, RMB3.1 million and RMB3.0 million, respectively.

Other Expenses

Our other expenses mainly consist of (i) provision for litigation liabilities and overdue surcharges for tax payment, social insurance and housing provident funds contributions, (ii) listing expense in connection with the Listing, and (iii) loss from disposal of non-current assets. In 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019, our other expenses amounted to RMB3.4 million, RMB2.7 million, RMB4.9 million, RMB2.3 million and RMB7.4 million, respectively. The relatively high provision for litigation liabilities and surcharges in 2016 was primarily because we settled a dispute with a third party supplier in an amount of RMB1.7 million. The relatively high provision for litigation liabilities and surcharges in 2018 was primarily due to an increase in provision for late payment surcharge which is computed on an accrued basis taking into account our existing late payment surcharge.

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Provision for litigation liabilities and surcharges	3,333	97.6	1,959	73.8	4,228	86.3	1,800	79.0	1,869	25.1
Listing expense	–	–	–	–	–	–	–	–	5,564	74.7
Loss from disposal of items of property, plant and equipment	1	–	–	–	409	8.3	266	11.7	1	–
Exchange loss	–	–	427	16.1	–	–	–	–	–	–
Others	81	2.4	269	10.1	264	5.4	212	9.3	12	0.2
Total	**3,415**	**100.0**	**2,655**	**100.0**	**4,901**	**100.0**	**2,278**	**100.0**	**7,446**	**100.0**

Net Finance Costs

Our net finance costs mainly consists of interest expenses arising from revenue contracts, interest expense on lease liabilities, interest expense of the ABS and other borrowings, deducted by our interest income on financing lease and interest income from other receivables from a related party.

The following table sets forth the components of our finance cost for the years indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Finance expense:										
Interest expense on lease liabilities	446	11.7	614	12.7	549	0.7	309	1.9	460	0.7
Interest expense arising from revenue contracts	3,300	86.2	3,821	79.0	3,657	4.7	1,768	10.7	5,601	9.0
Other interest expense	82	2.1	401	8.3	400	0.5	200	1.2	167	0.3
Interest expense of asset-backed securities("**ABS**")	–	–	–	–	73,570	94.1	14,178	86.2	55,847	90.0
	3,828	100.0	4,836	100.0	78,176	100.0	16,455	100.0	62,075	100.0
Finance income:										
Interest income on financing lease	–	–	–	–	–	–	–	–	(222)	0.4
Interest income from other receivables from a related party	–	–	–	–	(73,570)	100.0	(14,178)	100.0	(55,847)	99.6
	–	–	–	–	(73,570)	100.0	(14,178)	100.0	(56,069)	100.0
Finance costs, net	**3,828**		**4,836**		**4,606**		**2,277**		**6,006**	

Interest expense arising from revenue contracts results from property management fees paid in advance of the due date. The increase in interest expense arising from revenue contracts in the six months ended June 30, 2019 was because we held a special anniversary promotional event in the six months ended June 30, 2019, which encouraged the prepayment of property management fees. On May 18, 2018, we entered into an ABS arrangement with Great Wall Securities Co., Ltd. ("長城證券股份有限公司"), a third-party securities company, with a principal amount of RMB1,675.0 million, for the purpose of providing financing to Times China Group pursuant to Times China's instruction and as part of Times China's internal cash allocation plan and at interest rates ranging from 6.5% to 7.5% per annum. See "—Indebtedness—ABS" in this prospectus. The ABS were fully repaid as of October 31, 2019. After entering into the ABS arrangement, we made a loan to Times China Group with the same principal amount and at the same interest rate range as the ABS. Such loan to Times China Group was fully settled as of October 31, 2019. The Group does not intend to have borrowing arrangement with related parties in the future.

Share of Profit of an Associate

In 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019, our share of profit of an associate amounted to RMB0.8 million, RMB2.3 million, RMB3.4 million, RMB1.5 million and RMB1.2 million, respectively. Our share of profit of an associate during the Track Record Period was related to our investment in Guangzhou Times Rongxin, in which we held a 30% equity interest. Guangzhou Times Rongxin was incorporated in 2015 in the PRC, mainly engaged in money lending business. Times China wholly owns Guangzhou Times Rongxin through our Company and the other five of subsidiaries of Times China, with an aim to diversify its income stream and expand its businesses complementary to its real estate business, including community finance. Currently, we hold a 30% equity interest in Guangzhou Times Rongxin, which may offer us an opportunity for further expanding to community financing services in the future. Its remaining 70% equity interest is held by the five subsidiaries of Times China. For more details relating to Guangzhou Times Rongxin, please refer to Note 18 of the Accountants' Report in Appendix I to this prospectus.

Income Tax Expenses

Our income tax expense mainly comprises our subsidiaries' PRC corporate income tax.

	For the year ended December 31,			For the six months ended June 30,	
	2016	**2017**	**2018**	**2018**	**2019**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Current income tax					
– PRC corporate income tax	13,510	15,119	24,991	10,908	18,250
Deferred income tax					
– PRC corporate income tax	(3,316)	(2,431)	(2,569)	(1,616)	(3,287)
Total tax charged for the year/period	**10,194**	**12,688**	**22,422**	**9,292**	**14,963**

In 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019, our effective income tax rates were 33.7%, 27.1%, 25.9%, 25.1% and 26.3%, respectively. The general decrease in our effective income tax rate was primarily due to a decrease in percentage of non-deductible expenses to profit before tax during the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, there were no matters in dispute or unresolved with any tax authorities.

RESULTS OF OPERATIONS

The Six Months Ended June 30, 2019 Compared to the Six Months Ended June 30, 2018

Revenue

Our revenue increased by 48.1% to RMB455.7 million in the six months ended June 30, 2019 from RMB307.6 million in the same period of 2018. The increase in our revenue was primarily attributable to the increase in our revenue from our property management services, value-added services to non-property owners and community value-added services, partially offset by a decrease in revenue from our other professional services.

- **Revenue from property management services**. Revenue from property management services increased by 52.0% to RMB295.8 million in the six months ended June 30, 2019 from RMB194.6 million in the six months ended June 30, 2018, primarily attributable to an increase in our total GFA under property management (excluding municipal sanitation services) to 34.7 million sq.m. as of June 30, 2019 from 17.5 million sq.m. as of June 30, 2018 and an increase in average property management fee to RMB3.48 per sq.m. per month in the six months ended June 30, 2019 from RMB2.68 per sq.m. per month in the six months ended June 30, 2018. The increase in the total GFA under property management was primarily as a result of our acquisition of Guangzhou Dongkang in March 2019, which contributed an additional GFA of 13.4 million sq.m. to our portfolio, and an increase in properties delivered for management during the six months ended June 30, 2019. The strategic acquisition of Guangzhou Dongkang was also the primary reason for the increase in the GFA under property management for non-residential properties from 7.7 million sq.m. as of June 30, 2018 to 21.7 million sq.m. as of June 30, 2019, as the property portfolio under management of Guangzhou Dongkang primarily included public facilities, government buildings and museums, among others.

- **Revenue from value-added services to non-property owners.** Revenue from value added services to non-property owners increased by 66.4% to RMB117.0 million in the six months ended June 30, 2019 from RMB70.3 million in the six months ended June 30, 2018, primarily attributable to increases in our revenue from sales assistance services and construction site services, which were in turn due to the increases in properties under construction and pre-sale of Times China Group.

- **Revenue from community value-added services.** Revenue from community value added services to property owners increased by 13.4% to RMB31.6 million in the six months ended June 30, 2019 from RMB27.8 million in the six months ended June 30, 2018, primarily driven by the increase in revenue from parking space management which was in line with the increase in properties under management in the six months ended June 30, 2019. The increase in revenue from community value-added services was partially offset by the decrease in revenue from public space leasing services, because we did not renew service agreements with some of our existing customers and were in the process of establishing new service arrangements with increased service fees as well as expanding customer base in the six months ended June 30, 2019.

- **Revenue from other professional services.** Revenue from other professional services decreased by 23.7% to RMB11.3 million in the six months ended June 30, 2019 from RMB14.9 million in the six months ended June 30, 2018 primarily due to a decrease in the revenue from elevator services and intelligent engineering services, partially offset by the increase in revenue from municipal sanitation services. The decrease in the revenue from elevator services was primarily because we were in the course of optimizing our business model in relation to elevator services and did not enter into new agreements with elevator suppliers and purchasers in the six months ended June 30, 2019. See "Business—Other Professional Services—Elevator Services" in this prospectus. We typically provide and recognize revenue from intelligent engineering services after the real estate developers complete the construction of relevant projects. As a substantial portion of property projects undertaken by us were expected to be completed in the second half of 2019, after which we could provide intelligent engineering services, we recognized less revenue from intelligent engineering services in the six months ended June 30, 2019 as compared to the same period in 2018. We started providing municipal sanitation services in the six months ended June 30, 2019 after we acquired Guangzhou Dongkang in March 2019.

Cost of sales

Our cost of sales increased by 48.9% to RMB333.2 million in the six months ended June 30, 2019 from RMB223.8 million in the six months ended June 30, 2018, primarily due to (i) the increase in labor costs as a result of our acquisition of Guangzhou Dongkang, our organic expansion and an increase in average salary; and (ii) increases in maintenance fees and cleaning and gardening expenses which were in line with the increase in properties under our management.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 46.2% to RMB122.6 million in the six months ended June 30, 2019 from RMB83.8 million in the six months ended June 30, 2018. Our gross profit margin slightly decreased to 26.9% in the six months ended June 30, 2019 from 27.2% in the six months ended June 30, 2018.

- ***Property management services.*** Our gross profit margin for property management services slightly increased to 24.1% in the six months ended June 30, 2019 from 23.0% in the six months ended June 30, 2018.

- ***Value-added services to non-property owners***. Our gross profit margin for value added services to non-property owners remained stable in the six months ended June 30, 2019 and in the six months ended June 30, 2018.

- ***Community value-added services***. Our gross profit margin for community value-added services decreased to 53.6% in the six months ended June 30, 2019 from 57.7% in the six months ended June 30, 2018, primarily as a result of a decrease in revenue contribution from public space leasing services as described above.

- ***Other professional services***. Our gross profit margin for other professional services to property owners decreased to 19.1% in the six months ended June 30, 2019 from 25.5% in the six months ended June 30, 2018, primarily due to a decrease in the revenue contribution from elevator services which generally had high gross profit margin with an aim to optimize its business model and a decrease in revenue from intelligent engineering services which generally had high gross profit margin.

Other income and gains

Our other income and gains increased by 130.7% to RMB2.3 million in the six months ended June 30, 2019 from RMB1.0 million in the six months ended June 30, 2018, primarily attributable to the increase in gain on disposal of financial assets at fair value through profit or loss as a result of the addition of wealth management products. See "—Description of Certain Combined Profit or Loss Statements Items—Other Income and Gains" in this section.

Selling and marketing expenses

Our selling and marketing expenses increased by 40.4% to RMB4.7 million in the six months ended June 30, 2019 from RMB3.3 million in the six months ended June 30, 2018, primarily due to (i) an increase in labor costs related to our selling and marketing staff, primarily as a result of our acquisition of Guangzhou Dongkang, and (ii) an increase in advertising expenses incurred in relation to our special anniversary promotional event in the six months ended June 30, 2019.

Administrative expenses

Our administrative expenses increased by 26.0% to RMB48.2 million in the six months ended June 30, 2019 from RMB38.3 million in the six months ended June 30, 2018, primarily due to our business expansion, in particular, our acquisition of Guangzhou Dongkang in March 2019.

Impairment losses on financial assets

Our impairment losses on financial assets remained relatively stable in the six months ended June 30, 2019 and the same period in 2018.

Other expenses

Our other expenses increased to RMB7.4 million in the six months ended June 30, 2019 from RMB2.3 million in the six months ended June 30, 2018, primarily due to listing expenses of RMB5.6 million in the six months ended June 30, 2019.

Net finance costs

Our net finance cost increased to RMB6.0 million in the six months ended June 30, 2019 from RMB2.3 million in the six months ended June 30, 2018, primarily due to a significant increase in interest expenses arising from revenue contracts because we held a special anniversary promotional event in the six months ended June 30, 2019 to encourage prepayment of property management fees by customers.

Profit before income tax

As a result of the foregoing, our profit before income tax increased by 53.3% to RMB56.8 million in the six months ended June 30, 2019 from RMB37.1 million in the six months ended June 30, 2018.

Income tax expenses

Our income tax expenses increased by 61.0% to RMB15.0 million in the six months ended June 30, 2019 from RMB9.3 million in the six months ended June 30, 2018, primarily due to the increase in taxable income.

Profit for the period

As a result of the foregoing, our profit for the period increased by 50.7% to RMB41.8 million in the six months ended June 30, 2019 from RMB27.8 million in the six months ended June 30, 2018. Our net profit margin remained relatively stable at 9.2% in the six months ended June 30, 2019 and 9.0% in the six months ended June 30, 2018.

2018 Compared to 2017

Revenue

Our revenue increased by 34.1% to RMB695.8 million in 2018 from RMB519.0 million in 2017, primarily reflecting the increase in revenue from property management services, value-added services to non-property owners and other professional services, which was partially offset by a slight decrease in revenue from community value-added services.

- **Revenue from property management services**. Revenue from property management services increased by 22.2% to RMB404.1 million in 2018 from RMB330.5 million in 2017, primarily attributable to the increase in the total GFA under property management to 18.8 million sq.m. as of December 31, 2018 from 16.0 million sq.m. as of December 31, 2017, as a result of our increased business scale and our continuous efforts to expand and diversify our property management portfolio.

- **Revenue from value-added services to non-property owners**. Revenue from value added services to non-property owners increased by 95.9% to RMB196.7 million in 2018 from RMB100.4 million in 2017, primarily attributable to increased revenue generated from sales assistance services, construction site services and pre-delivery cleaning services, as a result of an increase in the number of property projects of Times China Group for which we provided these services.

- **Revenue from community value-added services**. Revenue from value added services to community decreased by 5.2% to RMB59.0 million in 2018 from RMB62.2 million in 2017, primarily due to a decrease in our revenue generated from turnkey furnishing services as we were in the course of ceasing such services as part of reorganization.

- **Revenue from other professional services**. Revenue from other professional services to property owners increased by 39.3% to RMB36.0 million in 2018 from RMB25.8 million in 2017, primarily due to revenue generated from elevator services as a result of our successful business development efforts.

Cost of sales

Our cost of sales increased by 29.7% to RMB505.3 million in 2018 from RMB389.5 million in 2017, primarily due to an increase in the properties under our management. The increase in our total revenue outpaced the increase in cost of sales from 2017 to 2018, primarily attributable to the implementation of our cost-effective measures, such as our enhancement of standardization and automation in operation.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 47.1% to RMB190.5 million in 2018 from RMB129.5 million in 2017.

Our gross profit margin increased to 27.4% in 2018 from 25.0% in 2017.

- **Property management services.** Our gross profit margin for property management services increased to 24.0% in 2018 from 18.7% in 2017, primarily attributable to our enhanced standardization and automation in operation.

- **Value-added services to non-property owners**. Our gross profit margin for value-added services to non-property owners decreased to 26.2% in 2018 from 27.1% in 2017, primarily due to an increase in revenue contribution of pre-delivery cleaning services in 2018 which generated a relatively lower gross profit margin as compared to other services under this business line.

- **Community value-added services**. Our gross profit margin for value added services to community increased to 55.8% in 2018 from 54.6% in 2017, primarily attributable to the economies of scale of our resident services to property owners and residents and our optimization of labor force. Specifically, there was an increase in revenue from parking space management services that have a relatively higher gross profit margin as compared to other services under this business line.

- **Other professional services**. Our gross profit margin for other professional services remained relatively stable at 25.3% in 2018 as compared to that of 25.0% in 2017.

Other income and gains

Our other income and gains decreased by 25.1% to RMB2.1 million in 2018 from RMB2.7 million in 2017, primarily because Guangzhou Times Linlibang, our subsidiary, received government grant of RMB1.1 million as a high-tech company in 2017.

Selling and marketing expenses

Our selling and marketing expenses increased by 14.2% to RMB8.5 million in 2018 from RMB7.4 million in 2017, primarily due to an increase in consultancy service fee because we engaged more consulting firms in 2018 to provide consultation for our business expansion. The increase in selling and marketing expenses was partially offset by a decrease in advertising expenses as we increased the proportion of online advertising, such as advertising through our Neighborhood Services mobile app, which is typically more cost efficient than traditional advertising.

Administrative expenses

Our administrative expenses increased by 28.0% to RMB89.7 million in 2018 from RMB70.1 million in 2017, primarily due to an increase in labor costs related to administrative staff as a result of our business expansion.

Other expenses

Our other expenses increased by 84.6% to RMB4.9 million in 2018 from RMB2.7 million in the 2017, primarily due to an increase in surcharges, which was in turn due to an increase in the provision for late payment charges.

Net finance costs

Our net finance costs remained relatively stable in 2017 and 2018.

Profit before income tax

As a result of the foregoing, our profit before income tax increased by 84.8% to RMB86.6 million in 2018 from RMB46.9 million in 2017.

Income tax expenses

Our income tax expenses increased by 76.7% to RMB22.4 million in 2018 from RMB12.7 million in 2017, primarily due to an increase in taxable income.

Profit for the year

As a result of the foregoing, our profit for the year increased by 87.8% to RMB64.2 million in 2018 from RMB34.2 million in 2017, and our net profit margin for the year increased to 9.2% in 2018 from 6.6% in 2017.

2017 Compared to 2016

Revenue

Our revenue increased by 39.2% to RMB519.0 million in 2017 from RMB372.9 million in 2016, reflecting an increase in revenue from property management services, community value-added services and other professional services.

- ***Revenue from property management services***. Revenue from property management services increased by 49.0% to RMB330.5 million in 2017 from RMB221.8 million in 2016, primarily due to an increase in our GFA under property management to 16.0 million sq.m. in 2017 from 13.1 million sq.m. in 2016.

- ***Revenue from value-added services to non-property owners.*** Revenue from value added services to non-property owners slightly decreased by 3.7% to RMB100.4 million in 2017 from RMB104.2 million in 2016, primarily due to a decrease in the revenue generated from house repair services as we were in the course of ceasing such services as part of reorganization.

- ***Revenue from community value-added services.*** Revenue from value added services to community increased by 56.6% to RMB62.2 million in 2017 from RMB39.8 million in 2016, primarily attributable to an increase in the properties under management.

- ***Revenue from other professional services.*** Revenue from other professional services increased significantly to RMB25.8 million in 2017 from RMB7.1 million in 2016, primarily because we started elevator services in September 2016 as a result of our acquisition of Joan Elevator.

Cost of sales

Our cost of sales increased by 36.0% to RMB389.5 million in 2017 from RMB286.4 million in 2016, primarily due to increases in labor costs as well as cleaning and gardening costs, which were generally in line with our business expansion.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 49.7% to RMB129.5 million in 2017 from RMB86.5 million in 2016. Our gross profit margin increased to 25.0% in 2017 from 23.2% in 2016.

- **Property management services.** Our gross profit margin for property management services remained relatively stable to 18.7% in 2017 from 18.4% in 2016.

- **Value-added services to non-property owners**. Our gross profit margin for value-added services to non-property owners increased to 27.1% in 2017 from 22.8% in 2016, primarily attributable to a decrease in the revenue contribution of the house repair services and pre-delivery cleaning services which had relatively lower gross profit margins as compared to other types of services under this business line.

- **Community value-added services**. Our gross profit margin for value-added services to property owners increased to 54.6% in 2017 from 51.4% in 2016, primarily attributable to the economies of scale of our resident services to property owners and residents and our optimization of labor force. Specifically, there was an increase in revenue contribution of turnkey furnishing business which had a relatively higher gross profit margin as compared to other types of services under this business line.

- **Other professional services.** Our gross profit margin for other professional services increased to 25.0% in 2017 from 21.1% in 2016, primarily due to an increase in the revenue contribution from elevator services which had a relatively higher gross profit margin as compared to other types of services under this business line.

Selling and marketing expenses

Our selling and marketing expenses increased by 16.8% to RMB7.4 million in 2017 from RMB6.4 million in 2016, primarily due to increases in labor costs and entertainment expenses as a result of our business expansion, partially offset by a decrease in advertising expenses as we increased the proportion of online advertising, such as the advertising through our Neighborhood Services mobile app, which is generally more cost efficient than traditional advertising.

Administrative expenses

Our administrative expenses increased by 66.9% to RMB70.1 million in 2017 from RMB42.0 million in 2016, primarily due to increases in labor costs, office expenses and depreciation and amortization as a result of our business expansion.

Other expenses

Our other expenses decreased by 22.3% to RMB2.7 million in 2017 from RMB3.4 million in 2016, as we settled a dispute with a third party supplier in an amount of RMB1.7 million in 2016.

Net finance costs

Our net finance cost increased by 26.3% to RMB4.8 million in 2017 from RMB3.8 million in 2016, primarily due to an increase in interest expenses arising from revenue contracts.

Profit before income tax

As a result of the foregoing, our profit before income tax increased by 54.9% to RMB46.9 million in 2017 from RMB30.3 million in 2016.

Income tax expenses

Our income tax expenses increased by 24.5% to RMB12.7 million in 2017 from RMB10.2 million in 2016, primarily due to an increase in taxable income.

Profit for the year

As a result of the foregoing, our profit for the year increased by 70.3% to RMB34.2 million in 2017 from RMB20.1 million in 2016, and our net profit margin for the year increased to 6.6% in 2017 from 5.4% in 2016.

DESCRIPTION OF CERTAIN COMBINED BALANCE SHEET ITEMS

Goodwill

We recorded goodwill in the amount of RMB47.2 million, RMB47.2 million, RMB47.2 million and RMB68.8 million as of December 31, 2016, 2017 and 2018 and June 30, 2019, respectively, in connection with our acquisitions of Guangzhou Wanning, Foshan Hetai, Zhuhai Yuanxing, Joan Elevator, Guangzhou Dongkang and Qingyuan Rongtai ("**Acquired Companies**").

The goodwill primarily arose from the expected future development of the Acquired Companies' business, improvement on market coverage, enrichment of the service portfolio, integration of value-added services, and improvement on management efficiency. None of the goodwill recognized is expected to be deductible for income tax purposes.

Pursuant to our accounting policy, we perform impairment testing of our goodwill on an annual basis typically by year end. For the purpose of impairment testing, our goodwill related to the acquisitions of subsidiaries acquired prior to 2019 were regarded as different cash-generating units ("**CGUs**"). The recoverable amounts of these CGUs have been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a three-year period prepared by management, and the pre-tax discount rates applied to the above cash flow projections ranged from 10.41% to 16.00%. As of the Latest Practicable Date, we have not performed impairment testing for the goodwill related to our subsidiaries acquired in 2019. For further details on goodwill impairment, please refer to Note 16 of the Accountants' Report in Appendix I to this prospectus.

In the opinion of our Directors, the annual revenue growth rate and discount rate are the key assumptions on which CGUs' recoverable amounts are based.

Annual revenue growth rate – The predicted revenue growth rate of CGUs for the three years subsequent to the date of assessment is one of the assumptions used in the value-in-use calculations.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

The following table sets forth key assumptions that we based on when we conducted cash flow projections for undertaking impairment testing of goodwill as of December 31, 2016:

CGU	**Annual revenue growth rate**	**Discount rate**
Guangzhou Wanning	5%	11.21%
Foshan Hetai	5%	14.24%
Zhuhai Yuanxing	5%	14.78%
Joan Elevator	10%-40%	16.00%

The following table sets forth key assumptions that we based on when we conducted cash flow projections for undertaking impairment testing of goodwill as of December 31, 2017:

CGU	Annual revenue growth rate	Discount rate
Guangzhou Wanning	5%	10.49%
Foshan Hetai	5%	13.38%
Zhuhai Yuanxing	5%	13.98%
Joan Elevator	10%-40%	16.00%

The following table sets forth key assumptions that we based on when we conducted cash flow projections for undertaking impairment testing of goodwill as of December 31, 2018:

CGU	Annual revenue growth rate	Discount rate
Guangzhou Wanning	5%	10.41%
Foshan Hetai	5%	13.36%
Zhuhai Yuanxing	5%	13.90%
Joan Elevator	10%	16.00%

We applied a 16% discount rate in the cash flow projections throughout the Track Record Period for Joan Elevator because the combine effect of the changes in the market risk and the specific risk for the CGU during the Track Record Period only resulted in minor difference in the discount rate, and hence the rounded and consistent discount rate has been adopted for the impairment test.

For the goodwill allocated to the CGUs of Guangzhou Wanning, Foshan Hetai and Zhuhai Yuanxing as of December 31, 2016, 2017 and 2018, management of Times China, which is also management of the Company, performed the impairment tests in January in 2017, January in 2018 and January in 2019, respectively, by applying a 5% annual revenue growth rate in the cash flow projections in the same manner as disclosed in the Accountants' Report. Management of Times China considered that 5% was the best representative annual revenue growth rate as at those dates in response to the planning growth of the three CGUs based on the then budgets and business plans of Time China and the three CGUs. For the purpose of preparation of the Accountants' Report, we revisited the aforementioned impairment tests and concluded that the results of those impairment tests were still appropriate so there was no need to reperform impairment tests for goodwill allocated to the three CGUs. Therefore, the disclosure of annual revenue growth rate throughout the Track Record Period in the Accountants' Report reflects the inputs used in the aforementioned impairment tests. No change in the annual revenue growth rate is noted as management of Times China set consistent target of growth for the three CGUs and planned the business between Times China and the three CGUs accordingly.

Details of the headroom measured by the excess of the recoverable amount over the carrying amount of respective CGUs as of December 31, 2016, 2017 and 2018 are set out as follows:

	As of December 31,		
	2016	2017	2018
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Guangzhou Wanning	23,749	20,920	8,401
Foshan Hetai	1,707	1,576	824
Zhuhai Yuanxing	999	1,247	477
Joan Elevator	4,053	5,978	6,715
Total	**30,508**	**29,721**	**16,417**

We have undertaken sensitivity analysis on the impairment test of goodwill. The following table sets forth the hypothetical changes to discount rate or annual revenue growth rate that would, in isolation, have removed the remaining headroom respectively as of December 31, 2016, 2017 and 2018:

	Guangzhou Wanning	Foshan Hetai	Zhuhai Yuanxing	Joan Elevator
As of December 31, 2016				
Increase in discount rate	9.65%	5.56%	6.06%	2.45%
Decrease in annual revenue growth rate	16.47%	9.85%	10.09%	3.28%
As of December 31, 2017				
Increase in discount rate	7.41%	4.58%	6.49%	3.57%
Decrease in annual revenue growth rate	13.44%	8.54%	10.92%	4.53%
As of December 31, 2018				
Increase in discount rate	2.86%	2.38%	2.37%	3.89%
Decrease in annual revenue growth rate	5.72%	4.60%	4.35%	4.14%

At the end of each of the years ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019, we considered there was no reasonably possible change in the key assumptions mentioned above would cause the carrying amount of each CGU to exceed its recoverable amount. We determined that there was no impairment of any of its CGUs.

We perform goodwill impairment test at the end of each year. As of June 30, 2019, we were not aware of impairment indicator and performed no additional impairment test.

Investment in an Associate

Our investment in an associate refers to our 30% equity interest in Guangzhou Times Rongxin and remained relatively stable at RMB68.4 million as of June 30, 2019, RMB67.1 million as of December 31, 2018, RMB63.7 million as of December 31, 2017 and RMB61.4 million as of December 31, 2016.

Deferred Tax Assets

Our deferred tax assets increased by 48.7% from RMB12.7 million as of December 31, 2018 to RMB18.9 million as of June 30, 2019, by 21.2% from RMB10.5 million as of December 31, 2017 to RMB12.7 million as of December 31, 2018, and by 24.2% from RMB8.4 million as of December 31, 2016 to RMB10.5 million as of December 31, 2017, primarily due to the increase of the deferred tax credited to profit or loss during the respective year or period, which mainly comprised the deductible tax losses, accrued expenses and provision of impairment losses of financial assets.

Trade Receivables

Trade receivables mainly arise from property management services, value-added services to non-property owners and other professional services provided to Times China Group, third-party property developers and property owners and residents.

	As of December 31,			As of June 30,
	2016	**2017**	**2018**	**2019**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Trade receivables				
– Related parties	101,535	102,149	166,031	146,265
– Third parties	28,181	45,764	55,985	100,659
Total	129,716	147,913	222,016	246,924
Less: allowance for impairment of trade receivables	(5,456)	(8,153)	(9,867)	(12,859)
Total	**124,260**	**139,760**	**212,149**	**234,065**

Our trade receivables increased during the Track Record Period primarily due to our business expansion. The significant increase in trade receivables from RMB139.8 million as of December 31, 2017 to RMB212.1 million as of December 31, 2018 was due to an increase in value-added services to non-property owners.

The following table sets forth our trade receivable turnover days for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2016	2017	2018	2019
Trade receivables turnover days[(1)]	76	93	92	89
– Related Parties	180	294	207	202
– Independent Third Parties	26	28	33	38

Note:

(1) Trade receivable turnover days for a period equals the average of the opening and closing trade receivables divided by revenue for the same period and multiplied by 365 days for a full-year period or 182 for a six-month period.

The increase in our trade receivable turnover days from 2016 to 2017 was primarily due to longer turnover days of trade receivables from related parties. The decrease in our trade receivable turnover days from 2017 to 2018, and further to the six months ended June 30, 2019, was primarily due to the decrease in our turnover days of trade receivables due from related parties as a result of our enhanced collection efforts in relation to the trade receivables from related parties. During the Track Record Period, our trade receivable turnover days of related parties were substantially longer than those of Independent Third Parties, primarily because we were a subsidiary of Times China before the Spin-off and the prolonged settlement of trade receivables by companies within Times China Group. The overdue trade receivables due from Times China Group will be fully settled before the Listing and Times China Group will settle trade receivables on a regular basis after the Listing.

The following table sets forth our turnover days of the aggregate amount of trade receivables and contract assets for the periods indicated.

	For the year ended December 31,			For six months ended June 30,
	2016	2017	2018	2019
Trade receivable and contract asset turnover days[(1)]	79	100	101	96
– Related parties	180	294	207	202
– Independent third parties	31	37	47	50

Note:

(1) Trade receivable and contract asset turnover days for a period equals the average of the opening and closing trade receivables and contract assets divided by revenue for the same period and multiplied by 365 days for a full-year period or by 182 for a six-month period.

The increase in our trade receivable and contract asset turnover days from 2016 to 2017 was primarily due to longer turnover days of trade receivables from related parties. Our trade receivable and contract asset turnover days remained relatively stable in 2017 to 2018. Our trade receivable and contract asset turnover days slightly decreased in the six months ended June 30, 2019, primarily due to the decrease in our turnover days of trade receivables due from related parties as a result of our enhanced collection efforts in relation to the trade receivables from related parties.

The following is an aging analysis of the trade receivables as of the dates indicated, based on the demand note date and net of loss allowance:

	As of December 31,			As of June 30,
	2016	2017	2018	2019
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Within 1 year	107,595	118,693	152,982	177,942
1 to 2 years	14,026	17,828	46,514	41,883
2 to 3 years	2,034	2,326	11,838	11,261
3 to 4 years	509	766	591	2,553
4 to 5 years	96	147	224	426
Total	**124,260**	**139,760**	**212,149**	**234,065**

The following is an aging analysis of our trade receivables due from related parties as of the dates indicated, based on the demand note date and net of loss allowance:

	As of December 31,			As of June 30,
	2016	2017	2018	2019
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Within 1 year	97,535	93,045	117,527	105,874
1 to 2 years	3,974	8,698	39,471	27,760
2 to 3 years	26	380	8,627	9,862
3 to 4 years	–	26	380	2,553
4 to 5 years	–	–	26	216
Total	**101,535**	**102,149**	**166,031**	**146,265**

The following is an aging analysis of our trade receivables due from Independent Third Parties as of the dates indicated, based on the demand note date and net of loss allowance:

	As of December 31,			As of June 30,
	2016	2017	2018	2019
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Within 1 year	10,060	25,648	35,455	72,068
1 to 2 years	10,052	9,130	7,043	14,123
2 to 3 years	2,008	1,946	3,211	1,399
3 to 4 years	509	740	211	–
4 to 5 years	96	147	198	210
Total	**22,725**	**37,611**	**46,118**	**87,800**

The movements in provision for expected credit losses of trade receivables are as follows:

	As of December 31,			As of June 30,
	2016	2017	2018	2019
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
At the beginning of the year/period	3,106	5,456	8,153	9,867
Charged for the year/period	2,350	2,697	1,714	2,992
At the end of the year/period	5,456	8,153	9,867	12,859

We use a provision matrix to calculate expected credit losses for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on our historical observed default rates. We will calibrate the matrix to adjust the historical credit loss experience with forward-looking estimates, such as forecast economic conditions. For further details, please refer to Note 21 of the Accountants' Report in Appendix I to this prospectus.

To expedite the recovery of our trade receivables, we have formulated and implemented various measures. See "Business—Property Management Services—Payment Terms and Credit Terms" in this prospectus.

Our collection rate of property management fees, calculated by dividing the property management fees we actually received during a period by the total property management fees payable to us accumulated during the same period, was 90.3%, 88.5%, 89.0%, 82.9% and 85.7%, respectively, in 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019.

As of the Latest Practicable Date, approximately RMB133.3 million, or 56.9%, of our total trade receivables as of June 30, 2019 had been settled, among which approximately RMB109.2 million was collected from related parties and approximately RMB24.1 million was collected from Independent Third Parties.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables primarily comprise prepayments, payments on behalf of property owners, deposits, advances to employees, other receivables and amounts due from related parties. The following table sets forth the components of our prepayments, deposits and other receivables as of the dated indicated.

	As of December 31,			As of June 30,
	2016	**2017**	**2018**	**2019**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Prepayments	12,157	3,284	1,827	5,323
Payments on behalf of property owners	1,920	10,655	6,046	5,198
Deposits	3,723	4,637	4,564	39,134
Advances to employees	343	92	25	529
Other receivables	3,759	4,706	5,287	16,073
Amounts due from related parties	57,676	423,661	2,032,961	1,538,905
Total	**79,578**	**447,035**	**2,050,710**	**1,605,162**

Prepayments were made primarily in relation to purchase of property, plant and equipment, payment to suppliers and payment for consultancy service fees. The relatively large amount of prepayments recorded as of December 31, 2016 was made in relation to purchase of the integrated command platform (全國集成管控平台) in 2016. Payments on behalf of property owners primarily include payments for utility bills made on behalf of our residents. The relatively high amount in deposits and other receivables as of June 30, 2019 was primarily due to the acquisition of Guangzhou Dongkang in March 2019. We made a deposit of RMB25.0 million in connection with the acquisition of Guangzhou Dongkang to secure a smooth acquisition and integration of Guangzhou Dongkang into our business operations. Pursuant to the acquisition agreement, the deposit will be returned to us in full within one year following the acquisition date. Upon the acquisition of Guangzhou Dongkang, other receivables of RMB11.0 million were added into our total other receivables as of June 30, 2019.

Amounts due from related parties were cash advances due from related parties. Please see Note 33 to the Accountants' Report in Appendix I to this prospectus for the detailed description of the other receivables due from related parties. The relatively large amounts due from related parties as of December 31, 2018 and as of June 30, 2019 were primarily due to a loan to Times China Group following the ABS arrangement, with an outstanding balance of RMB1,601.0 million and RMB1,526.0 million, respectively, carrying interest rates ranging from 6.5% to 7.5%, which mirror the interest rates for the ABS. We settled such amounts due from Times China Group as of October 31, 2019. Except for this loan, our other cash advances due from related parties during the Track Record Period were of non-trade nature and were not interest-bearing. All related party balances which are non-trade in nature were fully settled as of the Latest Practicable Date. And our Directors confirm that our Group does not intend to have borrowing arrangement with related parties in the future.

Our PRC Legal Advisors have advised us that according to Article 11 of the Provisions of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases (最高人民法院關於審理民間借貸案件適用法律若干問題的規定) which came into effect on September 1, 2015, the Supreme People's Court recognizes the validity and legality of financing arrangements and lending transactions between non-financial institutions so long as certain requirements, such as the interest rates charged, are satisfied. On this basis, our PRC Legal Advisors are of the view that such loan with Times China Group was legally binding on the related parties. All borrowings between related parties were fully settled as of the Latest Practicable Date. As of the Latest Practicable Date, we did not receive any penalties, investigation or notice from relevant competent authorities in relation to such borrowings between related parties.

Trade Payables

Our trade payables primarily represent our obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers, including sub-contracting expenses and cost of materials.

	As of December 31,			As of June 30,
	2016	**2017**	**2018**	**2019**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Third parties	52,701	68,830	112,306	106,957

Our trade payables decreased by 4.8% from RMB112.3 million as of December 31, 2018 to RMB107.0 million as of June 30, 2019, primarily due to the decrease in elevator services (including sale, installation, repair and maintenance of elevators). Please see "Business—Other Professional Services—Elevator Services" in this prospectus.

Our trade payables increased by 30.6% from RMB52.7 million as of December 31, 2016 to RMB68.8 million as of December 31, 2017, and further increased significantly by 63.2% to RMB112.3 million as of December 31, 2018, primarily due to our business expansion.

The following table sets forth our trade payable turnover days for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2016	**2017**	**2018**	**2019**
Trade payable turnover days[(1)] . .	54	57	65	60

Note:

(1) Trade payable turnover days for a period equals the average of the opening and closing trade payable balance divided by cost of sales for the same period and multiplied by 365 days for a full-year period or the period generating the revenue.

Our trade payable turnover days are generally in line with our credit term during the Track Record Period, which was around 60 days.

The following table sets forth an aging analysis of our trade payables based on the invoice date as of the dates indicated:

	As of December 31,			As of June 30,
	2016	**2017**	**2018**	**2019**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Less than 1 year	50,967	66,210	105,750	100,731
Over 1 year.	1,734	2,620	6,556	6,226
Total.	**52,701**	**68,830**	**112,306**	**106,957**

As of the Latest Practicable Date, approximately RMB82.7 million, or 77.3%, of our total trade payables as of June 30, 2019 had been settled.

Other Payables and Accruals

Our other payables and accruals mainly represent (i) payroll and welfare payables, (ii) deposits and temporary receipts from property owners, which primarily comprised utility fees and maintenance fund contributions, (iii) accrual and other payables and (iv) amounts due to related parties. As of December 31, 2016, 2017 and 2018, we had a loan from related parties with balance of RMB5.0 million, which was included in amounts due to related parties. We had fully settled such loan as of June 30, 2019. See "—Indebtedness—Loans From Related Parties" in this section. Except for this loan, other amounts due to related parties were not interest-bearing. In August 2018, we received an amount of RMB1.1 billion from an indirectly wholly owned PRC subsidiary of Times China and we deposited with a PRC bank pursuant to Times China's instruction. To our Directors' best knowledge, such instruction from Times China was to facilitate its internal cash allocation plans. In March 2019, we transferred such deposit amount in full (including interests) back to the related party, also pursuant to Times China's instruction in March 2019. For details, see Note 33(3) of the Accountants' Report in Appendix I to this prospectus.

	As of December 31,			As of June 30,
	2016	**2017**	**2018**	**2019**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Payroll and welfare payables	45,165	58,148	75,934	109,411
Other tax payables	6,500	8,333	12,356	19,572
Deposits and temporary receipts from property owners	58,484	42,927	36,743	50,601
Accrual and other payables	44,608	47,318	47,299	57,557
Amounts due to related parties	179,787	529,164	1,568,630	122,354
Total	**334,544**	**685,890**	**1,740,962**	**359,495**

Contract Liabilities

Our contract liabilities primarily consist of advances of property management fees and other service fees. Our contract liabilities increased significantly from RMB49.0 million as of December 31, 2018 to RMB189.5 million as of June 30, 2019, primarily due to the increase of advances of property management fees in the six months ended June 30, 2019 as a result of our special anniversary promotional event. Our contract liabilities remained relatively stable at RMB51.4 million as of December 31, 2016, RMB51.2 million as of December 31, 2017, and RMB49.0 million as of December 31, 2018.

NET CURRENT ASSETS AND NET CURRENT LIABILITIES

	As of December 31,			As of June 30,	As of October 31,
	2016	2017	2018	2019	2019
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
CURRENT ASSETS					
Inventories	2,521	2,082	1,512	2,434	3,341
Trade receivables	124,260	139,760	212,149	234,065	218,107
Contract assets	6,204	13,202	20,974	18,396	17,592
Prepayments, deposits and other receivables	72,048	447,035	2,050,710	1,598,597	67,985
Amount due from an associate	456	476	482	–	–
Restricted bank deposits	20,912	8,208	200	2,690	2,864
Cash and cash equivalents	96,885	86,499	1,182,349	304,396	225,794
Financial assets at fair value through profit or loss	–	–	–	–	10,000
Total current assets	323,286	697,262	3,468,376	2,160,578	545,683
CURRENT LIABILITIES					
Trade payables	52,701	68,830	112,306	106,957	114,424
Lease liabilities	2,312	3,113	2,463	5,757	5,361
Other payables and accruals	334,544	685,890	1,740,962	359,495	324,981
Contract liabilities	51,364	51,180	49,012	189,546	136,235
Other interest-bearing borrowings	–	–	152,000	157,000	–
Amount due to an associate	5,082	–	–	–	–
Tax payable	15,169	16,729	29,187	31,238	26,100
Government grants	–	200	200	200	200
Total current liabilities	461,172	825,942	2,086,130	850,193	607,301
NET CURRENT (LIABILITIES)/ ASSETS	**(137,886)**	**(128,680)**	**1,382,246**	**1,310,385**	**(61,618)**

We recorded a net current liability position as of December 31, 2016, primarily due to other payables due to related parties of RMB179.8 million. We reduced net current liabilities by RMB9.2 million from December 31, 2016 to December 31, 2017, primarily due to an increase in other receivables from related parties. We recorded a net current asset position as of December 31, 2018, primarily because we made a loan to a related party in an amount of RMB1,601.0 million as of December 31, 2018 with an interest rate mirrors the ABS. Our net current assets slightly decreased from RMB1,382.2 million as of December 31, 2018 to RMB1,310.4 million as of June 30, 2019, primarily because we partially settled amounts due from related parties in the six months ended June 30, 2019. Such amounts due from and amounts due to related parties which are non-trade in nature were fully settled as of the Latest Practicable Date. Our Directors confirm that our Group does not intend to have borrowing arrangement with related parties in the future. Please refer to Note 33(3) of the Accountants' Report in Appendix I to this prospectus for details. Our net current assets further decreased to net current liabilities of RMB61.6 million as of October 31, 2019, primarily because we paid back the outstanding principal amount of the ABS before October 31, 2019.

We fully repaid the ABS by using the proceeds from the repayment by the related party of the loan to it before October 31, 2019. As a result of receipt of full repayment of such loan and the full repayment of the ABS thereafter, our current assets were reduced by RMB1,526.0 million, and our current liabilities and non-current liabilities were reduced by RMB157.0 million and RMB1,369.0 million, respectively. As such, we recorded a net current liability position immediately after the ABS has been fully repaid.

Nevertheless, we believe the impact of the full redemption of the ABS on our liquidity position will be temporary for the following reasons:

- during the Track Record Period, our net current liabilities/assets position, as stated above, was mainly affected by amounts due to/from related parties. The related party balances which are non-trade in nature were fully settled as of the Latest Practicable Date. And our Directors confirm that our Group does not intend to have borrowing arrangement with related parties in the future.

- we recorded contract liabilities of RMB51.4 million, RMB51.2 million, RMB49.0 million and RMB189.5 million, respectively, as of December 31, 2016, 2017 and 2018 and June 30, 2019. The significant increase in contract liabilities as of June 30, 2019 as compared to December 31, 2016, 2017 and 2018 was primarily due to the increase of advances of property management fees in the six months ended June 30, 2019 as a result of our special anniversary promotional event. This demonstrates our ability to collect advance payments of management fees and other service fees from our customers, which we believe would have a positive effect on our working capital.

- during the Track Record Period, we made significant capital investments and investments in infrastructures, which resulted in significant cash outflows. For examples, we acquired Joan Elevator and Guangzhou Wanning in 2016 and Guangzhou Dongkang in the six months ended June 30, 2019 to diversify our property management services portfolio and broaden our revenue base, and we purchased integrated command platform (全國集成管控平台) in 2017 to improve operational efficiency and customer experience. Such capital investments and investments in infrastructure reduced our cash on hand and accordingly our current assets in the short term while increasing goodwill and accordingly our non-current assets. However we believe such strategic investments will help improve our profitability as well as liquidity position in the long run as the acquired assets are expected to expand our revenue streams and customer base and contribute stable cash inflows. We will take a prudent approach towards investments. We will gauge our investment scale carefully by analyzing not only investment returns but also our liquidity position so as to achieve a sustainable long-term growth.

- we will continue to enhance our efforts to collect management fees from customers. Property owners and residents tend to settle outstanding property management fee balances in the second half of the year, especially toward the end of the year. For more details regarding our management fee collection, please refer to "Business—Property Management Services—Property Management Fees—Payment Terms and Credit Terms" in this prospectus. Our cash receipts are not evenly distributed throughout the year as a result of our collection practice. We did not experience any significant difficulty in collecting management fees throughout the Track Record Period. In 2016, 2017, 2018 and the six months ended June 30, 2018 and 2019, our collection rate for property management fees was approximately 90.3%, 88.5%, 89.0%, 82.9% and 85.7%, respectively. We have taken various measures to enhance the collection rate. See "Business—Property Management Services—Property Management Fees—Payment Terms and Credit Terms" in this prospectus. We believe we will be able to collect the outstanding management fees within a reasonable period of time by making continuous collection efforts, which, in turn, would help improve our liquidity position.

- we will receive the net proceeds of the Global Offering upon the Listing.

A net current liability position may pose certain risks for our operations. See "Risk Factors—Risks Relating to Our Business and Industry—We recorded net current liabilities as of December 31, 2016 and 2017 and as of October 31, 2019 and had negative net operating cash flows for the year ended December 31, 2016 and the six months ended June 30, 2019, which could expose us to liquidity risks" in this prospectus.

Working Capital

Our Directors are of the opinion that, after taking into account the financial resources available to us including the estimated net proceeds of the Global Offering and our internally generated funds, we have sufficient working capital to satisfy our requirements for at least the next 12 months following the date of this prospectus.

LIQUIDITY AND CAPITAL RESOURCES

Our principal use of cash has been for working capital purposes. Our main source of liquidity has been generated from cash flow from operations. In the foreseeable future, we expect such source to continue to be our principal sources of liquidity and we may use a portion of the proceeds from the Global Offering to finance some of our capital requirements.

Cash Flow

The following table sets forth a summary of our cash flows for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2016	2017	2018	2018	2019
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Operating cash flow before changes in working capital	40,065	60,092	101,487	46,163	69,583
Net cash flows (used in)/from operating activities	(4,383)	23,307	1,114,825	(2,803)	(847,434)
Net cash flows (used in)/from investing activities	(55,644)	(30,254)	(1,542,556)	(1,666,658)	108,916
Net cash flows from/(used in) financing activities	3,229	(3,439)	1,523,581	1,658,889	(139,435)
Net (decrease)/increase in cash and cash equivalents	**(56,798)**	**(10,386)**	**1,095,850**	**(10,572)**	**(877,953)**
Cash and cash equivalents at beginning of year/period	153,683	96,885	86,499	86,499	1,182,349
Cash and cash equivalents at end of year/period	**96,885**	**86,499**	**1,182,349**	**75,927**	**304,396**

Net cash flows (used in)/from operating activities

Our cash from operating activities primarily consists of fees received from provision of property management services, value-added services to non-property owners and property owners and other professional services. Cash flow from operating activities reflects: (i) profit before income tax adjusted for non-cash and non-operating items and finance costs, such as depreciation and amortization and impairment losses; (ii) the effects of movements in working capital; and (iii) income tax paid.

In the six months ended June 30, 2019, we had net cash flows used in operating activities of RMB847.4 million, which was the result of cash used in operating activities of RMB829.9 million and income tax paid of RMB17.5 million. We had operating cash flows before movements in working capital of RMB69.6 million. The decrease of RMB899.5 million in the working capital was primarily due to a decrease in other payables and accruals of RMB1,421.9 million mainly as a result of the settlement of certain amounts due to related parties which are non-trade in nature, including, among others, (i) our full settlement of an amount of approximately RMB1.1 billion with an indirect wholly owned subsidiary of Times China in March 2019, and please refer to "—Other payables and accruals" above for details; and (ii) settlement of an amount of approximately RMB497.0 million due to a majority owned PRC subsidiary of Times China. Such decrease in the working capital was partially offset by a decrease of prepayments, deposits and other receivables of RMB393.3 million mainly as a result of the settlement of certain amounts due from related parties which are non-trade in nature, including, among others, settlement of an amount of RMB404.9 million due from a majority owned PRC subsidiary of Times China.

In 2018, we had net cash flows from operating activities of RMB1,114.8 million, which was the result of cash generated from operating activities of RMB1,127.5 million and income tax paid of RMB12.7 million. We had operating cash flows, before movements in working capital, of RMB101.5 million. The increase of RMB1,026.0 million in the working capital was primarily due to an increase of other payables and accruals of RMB1,064.0 million, as we had cash advance from a related party in an amount of RMB1.1 billion, which was fully settled as of June 30, 2019.

In 2017, we had net cash flows from operating activities of RMB23.3 million, which was the result of cash generated from operating activities of RMB36.9 million and income tax paid of RMB13.6 million. We had operating cash flows, before movements in working capital, of RMB60.1 million. The decrease of RMB23.2 million in the working capital was primarily due to an increase of prepayments, deposits and other receivables of RMB373.3 million, partially offset by an increase of other payables and accruals of RMB348.1 million, both of which reflected an increase in amounts due to, and amounts due from, related parties, in 2017.

In 2016, we had net cash flows used in operating activities of RMB4.4 million, which was the result of cash generated from operating activities of RMB3.9 million and income tax paid of RMB8.3 million. We had operating cash flows, before movements in working capital, of RMB40.1 million. The decrease of RMB36.2 million in the working capital was primarily reflected an increase of trade receivables of RMB82.1 million due to our business expansion and an increase of prepayments, deposits and other receivables of RMB46.4 million which is mainly due to an increase in amounts due from related parties, which were partially offset by an increase of other payables and accruals of RMB67.2 million.

As stated above, we recorded net operating cash outflows during the Track Record Period mainly due to changes in amounts due to/from related parties which were non-trade in nature. The related party balances which are non-trade in nature were fully settled as of the Latest Practicable Date. We mainly fund our operating activities through cash generated from our business activities. We believe our working capital will be sufficient in the near future, considering (i) the strategic acquisitions (including Guangzhou Wanning, Joan Elevator and Guangzhou Dongkang) we made during the Track Record Period which we expect to bring us stable cash inflows, (ii) the measures we have been taking to improve our collection of management service fees and advances of management fees from our customers, for more details regarding our management fee collection, please refer to "Business—Property Management Services—Property Management Fees—Payment Terms and Credit Terms" in the prospectus, (iii) full settlement of related party advances non-trade in nature as of the Latest Practicable Date and (iv) the proceeds we expect to receive from the Listing.

Net cash flows (used in)/from investing activities

In the six months ended June 30, 2019, net cash flows from investing activities was RMB108.9 million, primarily reflecting disposal of a financial asset at fair value through profit or loss of RMB289.1 million, repayment of a loan from a related party of RMB75.0 million and interest received of RMB56.6 million, which were partially offset by purchase of a financial asset at fair value through profit or loss of RMB275.8 million.

In 2018, net cash flows used in investing activities was RMB1,542.6 million, primarily reflecting a loan granted to a related party of RMB1,675.0 million and purchase of a financial asset at a fair value through profit or loss of RMB292.2 million, which were partially offset by disposal of financial assets at fair value through profit or loss of RMB292.7 million, repayment of a loan from a related party of RMB74.0 million and interest received of RMB74.3 million.

In 2017, net cash flows used in investing activities was RMB30.3 million, primarily reflecting purchase of financial assets at fair value through profit or loss of RMB56.3 million and net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary of RMB15.1 million, purchase of items of property, plant and equipment of RMB9.8 million and purchase or development of other intangible assets of RMB6.8 million, which were partially offset by disposal of financial assets at fair value through profit or loss of RMB56.7 million.

In 2016, net cash flows used in investing activities was RMB55.6 million, primarily reflecting net outflow of cash and cash equivalents in respect of the acquisitions of subsidiaries of RMB40.4 million and purchase of items of property, plant and equipment of RMB9.7 million.

Net cash flows (used in)/from financing activities

In the six months ended June 30, 2019, net cash flows used in financing activities was RMB139.4 million, primarily reflecting the repayment of other interest-bearing borrowings of RMB75.0 million and interest payments of RMB57.1 million.

In 2018, net cash flows from financing activities was RMB1,523.6 million primarily reflecting new other interest-bearing borrowing raised of RMB1,675.0 million, partially offset by repayment of other interest-bearing borrowings of RMB74.0 million and interest payment of RMB74.1 million.

In 2017, net cash flows used in financing activities was RMB3.4 million, primarily reflecting repayment of a loan to a related party of RMB5.0 million and principal portion of lease payments of RMB2.6 million, which was partially offset by advances from related parties of RMB5.0 million.

In 2016, net cash flows from financing activities was RMB3.2 million primarily reflecting advance from related parties of RMB5.0 million, which was partially offset by principal portion of lease payments of RMB1.3 million.

INDEBTEDNESS

As of December 31, 2016, 2017 and 2018, June 30, 2019 and October 31, 2019, our total borrowings and lease liabilities amounted to RMB11.9 million, RMB12.5 million, RMB1,610.5 million, RMB1,542.0 million and RMB 13.6 million, respectively. As of October 31, 2019, we didn't have any unutilized banking facilities. The following table sets forth the components of our borrowings and lease liabilities as of the dates indicated.

	As of December 31,			As of June 30,	As of October 31,
	2016	**2017**	**2018**	**2019**	**2019**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Non-current					
Non-current portion of the ABS	–	–	1,449,000	1,369,000	–
Non-current portion of lease liabilities	4,576	4,364	2,006	10,221	8,263
	4,576	4,364	1,451,006	1,379,221	8,263
Current					
Loans from related parties	5,000	5,000	5,000	–	–
Current portion of the ABS	–	–	152,000	157,000	–
Current portion of lease liabilities	2,312	3,113	2,463	5,757	5,361
	7,312	8,113	159,463	162,757	5,361
Total	**11,888**	**12,477**	**1,610,469**	**1,541,978**	**13,624**

Loans from Related Parties

During the Track Record Period, we had loans from related parties. As of December 31, 2016, 2017 and 2018, June 30, 2019 and October 31, 2019, the balance of loans from related parties amounted to RMB5.0 million, RMB5.0 million, RMB5.0 million, nil and nil, respectively.

ABS

On May 18, 2018, we entered into an ABS arrangement with Great Wall Securities Co., Ltd. ("長城證券股份有限公司"), a third-party securities company, with an aggregate principal amount of RMB1,675.0 million for the purpose of providing financing to Times China Group pursuant to Times China's instruction and as part of Times China's internal cash allocation plan. The ABS has a tenor ranging from one to eight years and bears interests at interest rates ranging from 6.5% to 7.5% per annum. The ABS is guaranteed by Guangzhou Times Holdings and secured by pledge of certain trade receivables and the right to receive property management fees relating to certain properties under our management. The ABS were fully repaid as of October 31, 2019 and the guarantee provided by Guangzhou Times Holdings was released accordingly. Our Group does not intend to have borrowing arrangement with related parties in the future. For further details on the ABS, please refer to Note 27 of the Accountants' Report in Appendix I to this prospectus.

Our borrowings were repayable as of the dates indicated.

	As of December 31,			As of June 30,	As of October 31,
	2016	**2017**	**2018**	**2019**	**2019**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Within one year	5,000	5,000	157,000	157,000	–
In the second year . .	–	–	163,000	167,000	–
In the third to fifth years, inclusive . . .	–	–	554,000	574,000	–
Beyond five years. . .	–	–	732,000	628,000	–
Total	**5,000**	**5,000**	**1,606,000**	**1,526,000**	**–**

Leases

The table below sets forth our lease liabilities as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2016	**2017**	**2018**	**2019**	**2019**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Non-current					
Lease liabilities	4,576	4,364	2,006	10,221	8,263
Current					
Lease liabilities	2,312	3,113	2,463	5,757	5,361
Total	**6,888**	**7,477**	**4,469**	**15,978**	**13,624**

During the Track Record Period and up to the date of this prospectus, our Directors confirm that they are not aware of any material defaults in payment of our trade and other payables and interest-bearing borrowings. Except as disclosed herein, we did not have any outstanding loan capital, bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant in connection therewith as of October 31, 2019, being the latest practicable date for the purpose of the indebtedness statement. Our Directors have confirmed that there had not been any material change in the indebtedness and contingent liabilities of our Group since the latest date for liquidity disclosure and up to the Latest Practicable Date.

Contingent Liabilities

As of December 31, 2016, 2017 and 2018, June 30, 2019 and October 31, 2019, we did not have any outstanding guarantees or other material contingent liabilities. Our Directors have confirmed that there had not been any material change in the indebtedness, capital commitments and contingent liabilities of our Group since the latest date for liquidity disclosure and up to the Latest Practicable Date.

COMMITMENTS

Capital Commitments

We had the following capital commitments as of the dates indicated below:

	As of December 31,			As of June 30,	As of October 31,
	2016	**2017**	**2018**	**2019**	**2019**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Contracted, but not provided for:					
Non-current assets	25,134	–	–	–	10,510
Acquisitions of subsidiaries	–	–	9,065	1,849	443
Total	**25,134**	**–**	**9,065**	**1,849**	**10,953**

Our capital commitment of RMB25.1 million as of December 31, 2016 refers to our commitment to purchase the integrated command platform (全國集成管控平台). Our capital commitment of RMB9.1 million as of December 31, 2018 refers to our commitment for the acquisition of Qingyuan Rongtai. Our capital commitment of RMB1.8 million as of June 30, 2019 refers to our commitment for the acquisition of Foshan Yixin. Our capital commitment of RMB11.0 million as of October 31, 2019 primarily refers to a lump sum license fee we paid to a third-party software developer for the use of Office software.

Capital Expenditures

The table below sets forth the amount of capital expenditure incurred during the Track Record Period:

	For the year ended December 31,			For the six months ended June 30,	
	2016	2017	2018	2018	2019
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Additions to:					
Property, plant and equipment. .	5,241	25,372	4,960	1,449	2,033
Other intangible assets	2,770	9,846	1,717	1,040	1,695
Total	**8,011**	**35,218**	**6,677**	**2,489**	**3,728**

The total capital expenditure incurred for the three years ended December 31, 2018 and the six months ended June 30, 2019 is RMB53.6 million, primarily attributable to the purchase of property, plant and equipment and other intangible assets. Our principal sources of funds for the capital expenditure for the three years ended December 31, 2018 and the six months ended June 30, 2019 are our cash generated from operating activities and a portion of the net proceeds from the Global Offering. See the section entitled "Future Plans and Use of Proceeds" in this prospectus.

OFF-BALANCE SHEET ARRANGEMENTS

We had no material off-balance sheet arrangements as of June 30, 2019, being the date of our most recent financial statement, and as of the Latest Practicable Date.

SUMMARY OF KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates and for the periods indicated.

	As of or for the Year Ended December 31,			As of or for the Six Months Ended June 30,
	2016	2017	2018	2019
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Total current assets	323,286	697,262	3,468,376	2,160,578
Total current liabilities.	461,172	825,942	2,086,130	850,193
Current ratio[(1)]	**70.1%**	**84.4%**	**166.3%**	**254.1%**

	As of or for the Year Ended December 31,			As of or for the Six Months Ended June 30,
	2016	2017	2018	2019
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Non-IFRS measures adjustment				
Total current assets	323,286	697,262	3,468,376	2,160,578
Less: a loan to a related party	–	–	(1,601,000)	(1,526,000)
Adjusted current assets	323,286	697,262	1,867,376	634,578
Total current liabilities	461,172	825,942	2,086,130	850,193
Less: the current portion of the ABS	–	–	(152,000)	(157,000)
Adjusted current liabilities	461,172	825,942	1,934,130	693,193
Adjusted current ratio(2)(10)	**70.1%**	**84.4%**	**96.5%**	**91.5%**
Total liabilities	467,766	832,684	3,538,964	2,232,319
Total assets	476,739	876,323	3,646,410	2,381,606
Liabilities to assets ratio(3)	**98.1%**	**95.0%**	**97.1%**	**93.7%**
Non-IFRS measures adjustment				
Total liabilities	467,766	832,684	3,538,964	2,232,319
Less: the ABS	–	–	(1,601,000)	(1,526,000)
Adjusted total liabilities	467,766	832,684	1,937,964	706,319
Total assets	476,739	876,323	3,646,410	2,381,606
Less: a loan to a related party	–	–	(1,601,000)	(1,526,000)
Adjusted total assets	476,739	876,323	2,045,410	855,606
Adjusted liabilities to assets ratio(4)(10)	**98.1%**	**95.0%**	**94.7%**	**82.6%**
Interest-bearing borrowings	5,000	5,000	1,606,000	1,526,000
Total equity	8,973	43,639	107,446	149,287
Gearing ratio(5)	**55.7%**	**11.5%**	**1,494.7%**	**1,022.2%**

	As of or for the Year Ended December 31,			As of or for the Six Months Ended June 30,
	2016	2017	2018	2019
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Non-IFRS measures adjustment				
Interest-bearing borrowings	5,000	5,000	1,606,000	1,526,000
Less: the ABS	–	–	(1,601,000)	(1,526,000)
Adjusted interest-bearing borrowings	5,000	5,000	5,000	–
Total equity	8,973	43,639	107,446	149,287
Adjusted gearing ratio(6)(10)	**55.7%**	**11.5%**	**4.7%**	**–**
Net profit for the year/period	20,065	34,175	64,164	N/A
Beginning balance of total assets	299,001	476,739	876,323	N/A
Ending balance of total assets	476,739	876,323	3,646,410	N/A
Average balance of total assets	387,870	676,531	2,261,367	N/A
Return on assets(7)	**5.2%**	**5.1%**	**2.8%**	**N/A**
Non-IFRS measures adjustment				
Net profit for the year/period	20,065	34,175	64,164	N/A
Beginning balance of total assets	299,001	476,739	876,323	N/A
Less: a loan to a related party	–	–	–	N/A
Adjusted beginning balance of total assets	299,001	476,739	876,323	N/A
Ending balance of total assets	476,739	876,323	3,646,410	N/A
Less: a loan to a related party	–	–	(1,601,000)	N/A
Adjusted ending balance of total assets	476,739	876,323	2,045,410	N/A
Adjusted average balance of total assets	387,870	676,531	1,460,867	N/A
Adjusted return on assets(8)(10)	**5.2%**	**5.1%**	**4.4%**	**N/A**

	As of or for the Year Ended December 31,			As of or for the Six Months Ended June 30,
	2016	2017	2018	2019
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Net profit for the year/period. .	20,065	34,175	64,164	N/A
Total equity	8,973	43,639	107,446	N/A
Return on total equity[9]	**248.9%**	**129.9%**	**84.9%**	**N/A**

Notes:

(1) Current ratio is calculated based on our total current assets divided by our total current liabilities as of the respective dates and multiplied by 100%.

(2) Adjusted current ratio is calculated based on our total current assets excluding a loan to a related party divided by our total current liabilities excluding the ABS as of the respective dates and multiplied by 100%.

(3) Liabilities to assets ratio is calculated based on total liabilities divided by total assets as of the respective dates and multiplied by 100%. Total liabilities represent the sum of current liabilities and non-current liabilities. Total assets represent the sum of current assets and non-current assets.

(4) Adjusted liabilities to assets ratio is calculated based on our total liabilities excluding the ABS divided by our total assets excluding the loan to a related party as of the respective dates and multiplied by 100%. Total liabilities represent the sum of current liabilities and non-current liabilities. Total assets represent the sum of current assets and non-current assets.

(5) Gearing ratio was calculated based on the sum of interest-bearing debt as of the respective dates divided by total equity as of the same dates.

(6) Adjusted gearing ratio was calculated based on the sum of total interest-bearing debt as of the respective dates excluding the ABS divided by total equity as of the same date.

(7) Return on total assets ratio was calculated based on our profit from continuing operations for the period divided by the average balance of our total assets at the beginning and the end of the period and multiplied by 100%.

(8) Adjusted return on total assets was calculated based on our profit from continuing operations for the period divided by the average balance of our total assets at the beginning and the end of the period and multiplied by 100%, excluding the effects of the loan to a related party.

(9) Return on equity ratio was calculated based on our profit from continuing operations for the period divided by the average balance of total equity at the beginning and the end of the period and multiplied by 100%.

(10) To supplement our combined financial statements which are presented in accordance with IFRS, we also use non-IFRS measures as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that such non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management considers to be not indicative of our operating performance. We believe that such measures provide useful information to investors and others in understanding and evaluating our results of operations in the same manner as they help our management. However, our presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation, or as substitute for analysis of, our results of operations or financial position as reported under IFRS.

To supplement our key financial ratios, we also present adjusted financial ratios as an additional financial measure to exclude the effect of the ABS, which were one-off in nature and fully repaid as of October 31, 2019. We believe that such measure facilitates comparisons of operating performance and financial position from period to period and company to company by eliminating potential impacts of items that our management considers to be not indicative of our operating performance or financial position. We believe that such measure provides useful information to investors and others in understanding and evaluating our operating performance and financial position in the same manner as they help our management. However, our presentation of the adjusted ratios may not be comparable to similarly titled measures presented by other companies. The use of such measures has limitations as an analytical tool, and you should not consider it in isolation, or unduly rely on such measures in making your investment decisions.

Current Ratio

Our current ratio increased from 70.1% as of December 31, 2016 to 84.4% as of December 31, 2017, to 166.3% as of December 31, 2018, and further to 254.1% as of June 30, 2019. The relatively high current ratios as of December 31, 2018 and June 30, 2019 were primarily due to a loan we made to a related party with an outstanding balance of RMB1,601.0 million as of December 31, 2018, which significant increased our current assets. See "—Description of Certain Combined Balance Sheet Items" in this section.

Adjusted Current Ratio

Our adjusted current ratio increased from 70.1% as of December 31, 2016 to 84.4% as of December 31, 2017, and to 96.5% as of December 31, 2018, primarily attributable to an increase in trade receivable which was in line with our business expansion. The adjusted current ratio decreased to 91.5% as of June 30, 2019, which was primarily reflecting our partial settlement of amounts due from related parties, and thus, lower adjusted current assets. See "—Liquidity and Capital Resources—Cash flow" in this section.

Liabilities to Assets Ratio

Our liabilities to assets ratio remained relatively stable during the Track Record Period.

Adjusted Liabilities to Assets Ratio

Our adjusted liabilities to assets ratio remained relatively stable as of December 31, 2016, 2017 and 2018. Our adjusted liabilities to assets ratio decreased from 94.7% as of December 31, 2018 to 82.6% as of June 30, 2019, which was primarily due to a decrease in other payables and accruals as of June 30, 2019, primarily reflecting our partial settlement of amounts due to related parties in the six months ended June 30, 2019.

Gearing Ratio

Our gearing ratio was 55.7%, 11.5%, 1,494.7% and 1,022.2%, respectively, as of December 31, 2016, 2017 and 2018 and June 30, 2019. Our gearing ratio increased to 1,497.7% as of December 31, 2018 primarily due to the ABS we entered into in 2018. Our gearing ratio decreased to 1,022.2% as of June 30, 2019 primarily reflecting the partial repayment of the ABS.

Adjusted Gearing Ratio

Our adjusted gearing ratio was 55.7%, 11.5% and 4.7%, respectively, as of December 31, 2016, 2017 and 2018, primarily due to the significant increase in our equity mainly as a result of the profit we generated during the three years ended December 31, 2018. Our adjusted gearing ratio was nil as of June 30, 2019 because we repaid the loan to a related party in an amount of RMB5.0 million in the six months ended June 30, 2019.

Return on Total Assets

Our return on total assets remained stable in 2016 and 2017 and experienced a decrease in 2018, primarily due to the significant increase in total assets as a result of the significant increase in amounts due from related parties as of December 31, 2018.

Adjusted Return on Total Assets

Our adjusted return on total assets decreased continuously in 2016, 2017 and 2018. The decrease was primarily due to an increase in goodwill and other intangible assets as a result of our acquisition of certain subsidiaries during the three years ended December 31, 2018.

Return on Equity

Our return on equity decreased from 248.9% in 2016 to 129.9% in 2017, and further to 84.9% in 2018, primarily due to the significant increase in our equity mainly as a result of the profit we generate during the three years ended December 31, 2018.

QUANTITATIVE AND QUALITATIVE ANALYSIS ABOUT MARKET RISK

The main risks arising from our financial instruments are credit risk and liquidity risk. Our exposure to these risks and the financial risk management policies and practices used by us to manage these risks are described below.

Credit Risk

We are exposed to credit risk in relation to its trade receivables, contract assets and other receivables, cash and cash equivalents and restricted bank deposits.

We expect that there is no significant credit risk associated with cash and cash equivalents and restricted bank deposits since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. We does not expect that there will be any significant losses from non-performance by these counterparties.

We expect that the credit risk associated with trade receivables and other receivables due from related parties is considered to be low, since related parties have strong capacity to meet contractual cash flow obligation in the near term. Thus, the impairment provision recognized during the Track Record Period was nil for the trade receivables and other receivables due from related parties.

We trade only with recognized and credit worthy third parties. We manage concentrations of credit risk by analysis by customer/counterparty. There are no significant concentrations of credit risk within our Group as the customer bases of our trade receivables and other receivables are widely dispersed. In addition, we monitored receivable balances on an ongoing basis. The maximum exposure is the carrying amount as disclosed in note 21, note 22 and note 23 to the Accountants' Report in Appendix I.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligation due to shortage of funds. Our exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. Our objective is to maintain a balance between continuity of funding to finance its working capital needs as well as capital expenditure in respect of these development projects, and flexibility through the use of stand-by credit facilities.

The table below set out our financial liabilities by relevant maturity grouping as of the dates indicated.

	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
As of June 30, 2019					
Trade payables	31,152	75,805	–	–	106,957
Lease liabilities	–	6,239	12,468	–	18,707
Financial liabilities included in other payables and accruals	230,512	–	–	–	230,512
Other interest-bearing borrowings	–	261,316	1,027,597	678,933	1,967,846
As of December 31, 2018					
Trade payables	25,080	87,226	–	–	112,306
Lease liabilities	–	2,740	2,171	–	4,911

	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Financial liabilities included in other payables and accruals	1,652,672	–	–	–	1,652,672
Other interest-bearing borrowings	–	261,488	1,030,922	806,061	2,098,471
As of December 31, 2017					
Trade payables	19,242	49,588	–	–	68,830
Lease liabilities	–	3,649	4,804	–	8,453
Financial liabilities included in other payables and accruals	619,409	–	–	–	619,409
As of December 31, 2016					
Trade payables	8,430	44,271	–	–	52,701
Lease liabilities	–	2,830	5,023	–	7,853
Financial liabilities included in other payables and accruals	282,879	–	–	–	282,879
An amount due to an associate	5,082	–	–	–	5,082

RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of us are also considered as related parties.

Our ultimate holding company is Times China. Guangzhou Times Rongxin is our associate.

For a detailed discussion of related party transactions, see note 33 to the Accountants' Report in Appendix I.

Significant Related Party Transactions

During the Track Record Period, we had the following significant transactions with related parties:

Provision of property management services

In 2016, 2017, 2018 and for the six months ended June 30, 2018 and 2019, we recorded provision of property management services to related parties amounted to RMB15.8 million, RMB24.3 million, RMB31.1 million, RMB13.8 million and RMB26.1 million, respectively. These were property management services provided to Times China Group, Times China's joint ventures and certain key management personnel of Times China and our Group.

Provision of value-added services to non-property owners

In 2016, 2017, 2018 and for the six months ended June 30, 2018 and 2019, we recorded provision of value added services to non-property owners to related parties amounted to RMB104.2 million, RMB96.7 million, RMB188.8 million, RMB64.8 million and RMB110.7 million, respectively. These were services including construction site management services, sale assistance services and pre-delivery cleaning services provided to Times China Group, Times China's associated companies and joint ventures.

Provision of community value-added services

In 2016, 2017, 2018 and for the six months ended June 30, 2018 and 2019, we recorded provision of community value added services to related parties amounted to RMB2.5 million, RMB3.0 million, RMB4.1 million, RMB2.1 million and RMB3.2 million, respectively. These were parking space management services to Times China Group.

Provision of other professional services

In 2016, 2017, 2018 and for the six months ended June 30, 2018 and 2019, we recorded provision of other professional services to related parties amounted to RMB1.4 million, RMB5.2 million, RMB16.5 million, RMB5.9 million and RMB2.9 million, respectively. These were elevator services and intelligent engineering services provided to Times China Group and one of Times China's associated companies.

Rental expense payable to related parties

In 2016, 2017, 2018 and for the six months ended June 30, 2018 and 2019, we recorded rental expense payable to related parties amounted to RMB0.6 million, nil, nil, nil and nil, respectively. These were rental expense payable to Times China's subsidiaries for office leasing.

Interest expense paid/payable for loans and lease liabilities due to related parties

In 2016, 2017, 2018 and for the six months ended June 30, 2018 and 2019, we recorded interest expense paid/payable for loans and lease liabilities due to related parties amounted to RMB0.5 million, RMB0.9 million, RMB0.7 million, RMB0.4 million and RMB0.3 million, respectively.

Interest income received/receivable of a loan due from a related party

In 2016, 2017, 2018 and for the six months ended June 30, 2018 and 2019, we recorded interest income received/receivable of a loan due from a related party amounted to nil, nil, RMB73.6 million, RMB14.2 million and RMB55.8 million, respectively.

Our Directors confirm that the aforementioned significant transactions with related parties were conducted on an arm's length basis and on normal commercial terms, and would not distort our track record results or impact the reflection of our future performance. The loans and interest receivables due from related parties as of June 30, 2019 were fully settled as of the Latest Practicable Date. Our Directors confirm that all other related party balances which are non-trade in nature will be fully settled prior to the Listing. For further details on related party balances and transactions, please refer to Note 33 of the Accountants' Report in Appendix I to this prospectus.

DIVIDEND POLICY AND DISTRIBUTABLE RESERVES

We have not paid or declared any dividends since the date of our incorporation.

We have no policy for future dividend payments. Our Board has absolute discretion as to whether to declare any dividend for any year, and in what amount. We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including IFRSs. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends.

DISCLOSURE PURSUANT TO RULES 13.13 TO 13.19 OF THE LISTING RULES

Except as otherwise disclosed in this prospectus, we confirm that, as of the Latest Practicable Date, we were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

LISTING EXPENSES

The total listing expenses (including underwriting commissions) for the Listing of the Shares are estimated to be HK$41.5 million (assuming an Offer Price of HK$5.01 per Share), among which, HK$14.2 million is directly attributable to the issuance of Shares and will be charged to equity upon completion of the Listing, and approximately HK$27.3 million will be charged to our combined statements of profit or loss and other comprehensive income for the year ending December 31, 2019. During the six months ended June 30, 2019, we incurred listing expenses of HK$7.5 million, of which HK$1.3 million was accounted for as a prepayment and will be subsequently charged to equity upon completion of the Listing and HK$6.2 million was charged to our combined statements of profit or loss and other comprehensive income for the six months ended June 30, 2019.

UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted combined net tangible assets prepared in accordance with rule 4.29 of the Listing Rules is set out to illustrate the effect of the Global Offering on our combined net tangible assets as of June 30, 2019 as if it had taken place on that date.

The unaudited pro forma adjusted combined net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, may not give a true picture of the financial position of our Group had the Global Offering been completed as of June 30, 2019 or any future date. It is prepared based on our combined net tangible assets as of June 30, 2019 as set out in the Accountants' Report in Appendix I to the prospectus, and adjusted as described below. The unaudited pro forma adjusted combined net tangible assets does not form part of the Accountants' Report as set out in Appendix I to the prospectus.

	Audited combined net tangible assets attributable to owners of the Company as of June 30, 2019	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted combined net tangible assets	Adjusted combined net tangible assets attributable to owners of the Company per Share	
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB)*	*(HK$)*
Based on an Offer Price of HK$4.23 per Share	52,388	584,612	637,600	0.70	0.78
Based on an Offer Price of HK$5.80 per Share	52,388	813,375	865,763	0.95	1.06

Notes:

(1) The combined net tangible assets attributable to owners of the Company as of June 30, 2019 is extracted from the Accountants' Report, which is based on the audited combined equity attributable to owners of the Company as of June 30, 2019 of approximately RMB145.4 million after deducting other intangible assets of RMB24.2 million and goodwill of RMB68.8 million.

(2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK$4.23 per Share or HK$5.80 per Share, after deduction of the underwriting fees and other related expenses payable by the Group. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of HK$1.0 to RMB0.90044.

(3) The unaudited pro forma adjusted combined net tangible assets attributable to owners of the Company per Share is calculated based on 908,672,747 Shares in issue immediately following the Capitalization Issue and the Global Offering.

(4) The unaudited pro forma adjusted combined net tangible assets attributable to owners of the Company per Share is converted into Hong Kong dollars at an exchange rate of RMB0.90044 to HK$1.0.

DIRECTORS' CONFIRMATION ON NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position since June 30, 2019 (being the date to which our Company's latest combined audited financial results were prepared), and there has been no events since June 30, 2019 and up to the date of this prospectus which would materially affect the information shown in the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

FUTURE PLANS

See “Business—Business Strategies” in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds of HK$769.2 million from the Global Offering, after deducting the underwriting commissions and other estimated expenses in connection with the Global Offering, assuming an Offer Price of HK$5.01 per Share (being the mid-point of the indicative Offer Price range set forth on the cover page of this prospectus). We intend to use such net proceeds from the Global Offering for the purposes and in the amounts set forth below:

Major Categories	Percentage of Total Proceeds	Amount of Proceeds	Sub-categories	Specific Plans	Percentage of Total Proceeds	Timeframe		
						January to December 2020	January to December 2021	January to December 2022
		(HK$ in millions)				*(HK$ in millions)*		
Business expansion	65%	500.0	Pursue selective strategic investment and acquisition opportunities and to further develop strategic alliances	• to acquire or invest in quality property management service providers operating in the Greater Bay Area and the regions where we plan to expand. We plan to target property management service providers that focus on residential properties and/or non-residential properties such as hospitals, schools, commercial properties and office buildings.	55%	119.4	137.1	166.5
				• to acquire companies providing property management related services (such as security, cleaning, gardening and maintenance services), as well as companies that provide other professional services (including elevator services and municipal sanitation services). As of the Latest Practicable Date, we had not identified or committed to any acquisition targets for our use of net proceeds from the Global Offering. The allocation of proceeds among the different types of targets above is subject to adjustments based on market conditions. For more information on strategic acquisition and investment plan, see "Plans for Strategic Acquisitions and Investments" below.	10%	16.5	35.5	25.0

Major Categories	Percentage of Total Proceeds	Amount of Proceeds	Sub-categories	Specific Plans	Percentage of Total Proceeds	Timeframe					
						January to June 2020	July to December 2020	January to June 2021	July to December 2021	January to June 2022	July to December 2022
		(HK$ in millions)				*(HK$ in millions)*					
Leverage the advanced Internet of Things, Internet and AI technologies and build intelligent communities that would improve working efficiency, improve service quality for our customers and lower the labor costs	15%	115.4	i purchase and upgrade various intelligent facilities and internet-based systems for our property management projects to raise our operational efficiency and service quality	• to construct and upgrade our intelligent butler system (智慧大管家系统), a comprehensive intelligent service platform that integrates our services and customer data, intelligent security cloud system (智慧雲安防系統), a system integrating various security devices using the Internet of Things technology, intelligent parking cloud (智慧雲車場), a system that enables us to realize digital management of the parking lots in the properties we manage, intelligent access control cloud system (智慧雲門禁系統), a system that enables us to realize digital control of entrance to the properties we manage, intelligent home device system (智能家居系统), a system that links individual homes to our fire control and security management systems, intelligent lighting system (智能照明系统), a system that controls and adjusts the lighting automatically according to residents' habits and needs and intelligent fire extinguishing system (智能消防系统), a system that enables us to monitor, report and control fire effectively, and purchase related hardware	8%	7.8	7.5	11.4	10.1	12.3	12.3

Major Categories	Percentage of Total Proceeds	Amount of Proceeds	Sub-categories	Specific Plans	Percentage of Total Proceeds	Timeframe: January to June 2020	Timeframe: July to December 2020	Timeframe: January to June 2021	Timeframe: July to December 2021	Timeframe: January to June 2022	Timeframe: July to December 2022
		(HK$ in millions)				*(HK$ in millions)*					
			ii upgrade various intelligent facilities and internet-based systems for our internal management and operation to optimize internal control and to improve our internal management efficiency and service efficiency	• upgrade of our integrated command platform (全國集成管控平台); • construction of Microsoft Power BI (鄰里駕駛艙): the operating data and analysis report of all operational companies in our Group will be effectively displayed on the construction of Microsoft Power BI to help management decision making; • further optimization of the city map system: information about the property management market of the cities where we operate and those we consider expanding into; • development of community business operation management system (社區商業運營管理系統): a supporting platform for online sales of community goods and services targeting primarily property owners and residents, providing big data computing, to forecast the need of property owners and residents and make relevant community goods and services recommendation for them, supplier and merchandise management, as well as order and payment management services; • further optimization of various other management systems, such as investment management system, purchase management system, financial budget system, contract management system, human recourses system, online training system.	7%	6.9	6.6	10.0	8.9	10.8	10.8

Major Categories	Percentage of Total Proceeds	Amount of Proceeds	Sub-categories	Specific Plans	Percentage of Total Proceeds	Timeframe					
						January to June 2020	July to December 2020	January to June 2021	July to December 2021	January to June 2022	July to December 2022
		(HK$ in millions)				*(HK$ in millions)*					
Further develop our one-stop service platform	10%	76.9	i purchase and upgrade hardware	• to update our existing hardware and purchase intelligent terminals for the operation of our "Neighborhood Services (鄰里邦)" mobile app to improve our operational efficiency and support our service expansion; • to purchase Internet equipment and servers for building a centralized database at our headquarters.	3%	2.9	2.8	4.3	3.8	4.6	4.6
			ii promote our mobile applications	• to organize promotional activities targeting residents that have not registered to use our "Neighborhood Services (鄰里邦)" mobile app to increase the number of registered users and those targeting local vendors and service providers that have not registered to use our "Neighborhood Services (鄰里邦)" mobile app to expand our sources of services and products;	3%	2.9	2.8	4.3	3.8	4.6	4.6
			iii fund our resident services and products and promotional activities	• to organize community activities and the themed promotional activities, promoting our products and services to develop diversified business services	4%	3.9	3.8	5.7	5.1	6.2	6.2
Working capital	10%	76.9	Working capital and other general corporate purposes	–	10%						
Total	**100%**	**769.2**									

Plans for Strategic Acquisitions and Investments

Although our Directors had not identified any suitable targets as of the Latest Practicable Date, we have determined the criteria for evaluating potential targets. These efforts are based on our experience in acquisition during the Track Record Period, as well as the results of research, financial due diligence and preliminary assessments and feasibility studies undertaken during the Track Record Period and up to the date of this prospectus.

Criteria for Strategic Acquisitions and Investments

For acquisitions of property management service companies, the key criteria for our assessment of potential targets include (i) having an aggregate GFA under property management of at least one million sq.m., with an average property management fee equal to or higher than the market average and equipment of good conditions; (ii) having a net profit margin of more than 5% in the most recent fiscal year; (iii) having no material non-compliance and legal risks in the past few years; and (iv) having a good reputation in the local market and growth potential.

For acquisitions of companies providing property management related services (such as security, cleaning, gardening and maintenance services), the key criteria for our assessment of potential targets include (i) providing services in multiple cities with a sizeable scale; (ii) generating revenue of more than RMB20 million and net profit of more than RMB1 million in the most recent fiscal year; and (iii) no material litigations in the past few years.

For acquisitions of companies providing other professional services (including elevator services and municipal sanitation services), the key criteria for our assessment of potential targets include (i) obtaining relevant license and permits in force to conduct elevator services or municipal sanitation services; (ii) no material litigations in past few years; (iii) generating revenue of more than RMB10 million for companies providing elevator services and revenue of more than RMB60 million for companies providing municipal sanitation services in the most recent fiscal year; and (iv) preferably a top 10 company in the local market.

In addition to the above, we may also take into account regional market share, customer satisfaction, staff competence and local labor costs when assessing the target companies.

Implementation of Acquisition Plan

We plan to acquire or invest in quality property management service providers operating in the Greater Bay Area and other first-tier, new first-tier and second-tier cities, emerging economically developed cities and cities with high growth potential, large populations and high level of consumption in China. For more criteria for potential targets, please refer to "—Criteria for Strategic Acquisitions and Investments" above. CIA has identified increasing market concentration and selectivity in merger and acquisition activities as a key trend in the highly competitive and fragmented PRC property management industry. See "Industry Overview—Future Trends in the PRC Property Management Industry" in this prospectus.

Though 76% of the 2018 Top 100 Property Management Companies were owned by or associated with property development companies, there were approximately 120,000 property management companies in the PRC as of the end of 2018, as compared to around 10,000 property developers in the PRC. Thus, most property management companies are not affiliated with property developers. We believe that there should be a rich variety of potential targets available for our consideration in such fragmented property management service industry. In addition, during the Track Record Period, we acquired Joan Elevator, Guangzhou Wanning and Guangzhou Dongkang and successfully integrated them into our existing business. Furthermore, we have established a "1+11" professional business development system, comprising a business development team at the headquarters and 11 regional business development teams. The business development team at the headquarters shall explore cooperation opportunities with property developers, identify potential acquisition targets, compile preliminary assessment and feasibility studies on potential targets, and analyze, among other data, (i) corporate information; (ii) geographic presence; (iii) financial results; (iv) results of on-site due diligence and (v) market research. Our 11 regional business development teams are mainly responsible for the exploration of cooperation opportunities with property developers and potential acquisitions in South China. Leveraging our proven track record of historical strategic acquisitions, the trend of industry consolidation, our established market position and extensive industrial experience, as well as efforts of our professional business development teams, we believe that we will be able to implement our acquisition strategies successfully.

Valuation Basis

We determine the amount of consideration for a potential target primarily by referring to its price-earnings ratio of comparable companies and its net profit in the most recent fiscal year. Our final price range may be determined on the basis of, or adjusted depending on, the target's size and our evaluation of its potential. As of the Latest Practicable Date, we had not identified or committed to any acquisition targets. In the event that we do identify suitable targets, and the net proceeds raised from the Global Offering are less than the capital expenditure needed, we intend to fund the remaining amount with our internal funds. In determining the portion of proceeds to be used on strategic acquisitions, we have considered the following factors:

Acquisition of property management service providers

Based on the market research on comparable companies conducted by our business development team, in determining the amount of proceeds to be used for the acquisition of property management service providers, we primarily have taken into account: (i) the GFA under management of the target companies; (ii) net profit in the most recent fiscal year; and (iii) PE ratio of other comparable property management companies.

In 2020, we expect to acquire one or two property management service companies with an aggregate GFA under management over 12 million sq.m., an aggregate net profit around RMB13 million in the most recent fiscal year and a PE ratio of approximately 8x. In 2021, we expect to acquire one to three property management service companies with an aggregate GFA under management over 15 million sq.m., an aggregate net profit around RMB15 million in the most recent fiscal year and a PE ratio ranging from 7x to 8x. In 2022, we expect to acquire two to three property management service companies with an aggregate GFA under management over 23 million sq.m., an aggregate net profit around RMB21 million in the most recent fiscal year and a PE ratio ranging from 7x.

Acquisition of companies providing property management related services and other professional services

Based on the market research on comparable companies conducted by our business development team, in determining the amount of proceeds to be used for the acquisition of property management related service providers, we primarily have taken into account: (i) net profit in the most recent fiscal year; and (ii) PE ratio of other comparable companies.

In 2020, we expect to acquire two companies providing elevator related services with an aggregate net profit around RMB4 million in the most recent fiscal year and a PE ratio ranging from 3x to 4x. In 2021, we expect to acquire one company providing cleaning services with net profit around RMB2 million in the most recent fiscal year and a PE ratio of approximately 3x, one company providing elevator services with net profit around RMB1 million in the most recent fiscal year and a PE ratio of approximately 4x and one company providing municipal sanitation services with net profit around RMB4 million in the most recent fiscal year and a PE ratio ranging from 4x to 5x. In 2022, we expect to acquire one company providing elevator services with net profit around RMB1 million in the most recent fiscal year and a PE ratio of approximately 4x, and one company providing municipal sanitation services with net profit around RMB4 million in the most recent fiscal year and a PE ratio ranging from 4x.

Basis and Assumptions

Our future plans and business strategies are based on the following general assumptions:

- there will be no material change in the funding requirement for each of our future plans described in this prospectus from the amount as estimated by our Directors;

- we will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which our future plans relate;

- the Global Offering will be completed in accordance with and as described in the section entitled "Structure and Conditions of the Global Offering" in this prospectus;

- there will be no material changes in existing accounting policies from those stated in the audited combined financial statements of our Group for the Track Record Period;

- our operations including our future plans will not be interrupted by any *force majeure*, unforeseeable factors, extraordinary items or economic changes in respect of inflation, interest rate and tax rate in the PRC;

- there will be no material changes in the bases or rates of taxation applicable to our activities;

- we will not be materially affected by the risk factors as set out in the section entitled "Risk Factors" in this prospectus;

- we will continue our operation including but not limited to retaining our key staff and maintaining our customers, suppliers and subcontractors in the same manner as we did during the Track Record Period;

- there will be no material change in existing laws and regulations, or other governmental policies relating to our Group and our business, or in the political or market conditions in which we operate; and

- there will be no disasters, natural, political or otherwise, which would materially disrupt our businesses or operations.

The above allocation of the proceeds will be adjusted on a *pro rata* basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated Offer Price Range.

If the Offer Price is fixed at HK$5.80 per Offer Share (being the high end of the Offer Price Range stated in this prospectus), we will receive net proceeds of approximately HK$897.0 million, after deduction of underwriting fees and commissions and estimated expenses in connection with the Global Offering.

If the Offer Price is fixed at HK$4.23 per Offer Share (being the low end of the Offer Price Range stated in this prospectus), the net proceeds we receive will be approximately HK$643.0 million, after deduction of underwriting fees and commissions and estimated expenses in connection with the Global Offering.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we intend to apply the net proceeds to short-term demand deposits and/or money market instruments. We will make an appropriate announcement if there is any change to the above proposed use of proceeds or if any amount of the proceeds will be used for general corporate purpose.

HONG KONG UNDERWRITERS

Haitong International Securities Company Limited

HeungKong Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company has agreed to offer the Hong Kong Public Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms. Subject to, among other conditions, the granting of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus by the Listing Committee and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have severally agreed to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Public Offer Shares now being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions of this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

Grounds for termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Public Offer Shares are subject to termination if certain events, including force majeure, shall occur at any time at or before 8: 00 a.m. (Hong Kong time) on the Listing Date. The Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) has the right, in its sole and absolute discretion, to terminate the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement if they see fit upon the occurrence of any of the following events:

(a) there has developed, occurred, existed or come into force that:

(i) any statement contained in this prospectus, the Application Forms or any other relevant documents used in connection with the Global Offering ("**Offer Documents**") considered by the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) in its sole and absolute opinion to be material in the context of the Global Offering, was, when it was issued, or has become, untrue, incorrect or misleading in any material respect or that any forecast, expression of opinion, intention or expectation expressed in any Offer Documents is not, in the reasonable opinion of the Sole Global Coordinator, in all material respects, fair and honest and based on reasonable assumptions, when taken as a whole; or

(ii) any matter has arisen or has been discovered which would or might, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission therefrom considered by the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) in its sole and absolute opinion to be material in the context of the Global Offering; or

(iii) any breach of any of the obligations or undertakings imposed upon any party (other than the Sole Global Coordinator or any of the Underwriters) to any of the Underwriting Agreements; or

(iv) any material adverse change in the condition, business, assets and liabilities, properties, results of operations, in the financial or trading position or prospect of any member of our Group; or

(v) approval by the Listing Committee of the listing of, and permission to deal in, the Shares is refused or not granted, other than subject to customary conditions, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(vi) the Company withdraws any of the Offer Documents (and/or any other documents used in connection with the contemplated subscription of the Offer Shares) or the Global Offering; or

(vii) any person (other than the Hong Kong Underwriters) has withdrawn or sought to withdraw its consent to being named in any of the Offer Documents or to the issue of any of the Offer Documents; or

(b) there shall develop, occur, exist or come into effect:

(i) any material change or development, or any event or series of events resulting or representing any change or development in local, national, regional or international financial, political, military, industrial, legal, economic, currency market, fiscal or regulatory or market matters or conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a devaluation of the Renminbi against any foreign currencies) in or affecting China, Hong Kong, the Cayman Islands, BVI, the United States, the United Kingdom, the European Union (or any member thereof) or any other relevant jurisdiction to our Group or the Global Offering (each a "**Relevant Jurisdiction**"); or

(ii) any new law or regulation or any material change or development in any existing law or regulation, or any material change in the interpretation or application thereof by any court or other competent authority in or affecting any Relevant Jurisdiction; or

(iii) any event or series of events in the nature of force majeure (including, without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, riot, public disorder, acts of terrorism (whether or not responsibility has been claimed), acts of God, epidemic, outbreak of infectious disease, in or affecting any of the Relevant Jurisdictions; or

(iv) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in or affecting any of the Relevant Jurisdictions; or

(v) (A) any suspension or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the Nasdaq National Market, the London Stock Exchange, or (B) a general moratorium on commercial banking activities in any of the Relevant Jurisdictions declared by the relevant authorities, or a disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any of the Relevant Jurisdictions; or

(vi) any material adverse change or development in taxation or exchange controls (or the implementation of any exchange control), currency exchange rates or foreign investment regulations in any of the Relevant Jurisdictions; or

(vii) any imposition of economic sanctions, in whatever form, directly or indirectly, by any of the Relevant Jurisdictions; or

(viii) any material adverse change or development our Group's condition, business, financial, earnings, trading position or prospects; or

(ix) the commencement by any judicial or regulatory body or organization of any public action against an executive Director or an announcement by any judicial or regulatory body or organization that it intends to take any such action; or

(x) other than with the approval of the Sole Global Coordinator, the issue or requirement to issue by our Company of a supplementary prospectus or offering document pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules in circumstances where the matter to be disclosed is, in the opinion of the Sole Global Coordinator, materially adverse to the marketing for or implementation of the Global Offering; or

(xi) a petition is presented for the winding up or liquidation of our Company or any of its subsidiaries, or our Company or any of its subsidiaries make any compromise or arrangement with our Company's creditors or enter into a scheme of arrangement or any resolution is passed for the winding-up of our Company or any of our subsidiaries or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of our Company or any of our subsidiaries or anything analogous thereto occurs in respect of our Company or any of our subsidiaries; or

(xii) a valid demand by any creditor for repayment or payment of any of our Company's indebtedness or those of any of our subsidiaries or in respect of which our Company or any of our subsidiaries are liable prior to its stated maturity; or

(xiii) any material litigation or claim being threatened or instigated against our Company or any of our subsidiaries,

and which, in any of the above cases and in the sole and absolute opinion of Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters):

(a) is or may or will be or is likely to be materially adverse to, or materially and prejudicially affect, the business or financial or trading position or prospects of our Company or our subsidiaries as a whole; or

(b) has or may have or will have or is likely to have a material adverse effect on the success of the Global Offering and/or make it impracticable or inadvisable for any part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged; or

(c) makes or may make or will or is likely to make it inadvisable or inexpedient to proceed with the Hong Kong Public Offering and/or the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus.

Undertakings to the Stock Exchange under the Listing Rules

By us

We have undertaken to the Stock Exchange that no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date) without the prior consent of the Stock Exchange, except in the circumstances prescribed by Rule 10.08 of the Listing Rules.

By Controlling Shareholders

Each of our Controlling Shareholders has undertaken to the Stock Exchange that, except pursuant to the Global Offering, it shall not and shall procure that the relevant registered holder(s) shall not:

(a) at any time within the period commencing on the date by reference to which disclosure of his/her/its shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as pursuant to a pledge or charge as security in favour of an authorised institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong)) in respect of, any of the Shares or securities of our Company in respect of which he/she/it is shown by this prospectus to be the beneficial owners; or

(b) at any time during the six-month period commencing on the date on which the period mentioned in paragraph (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as pursuant to a pledge or charge as security in favour of an authorised institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong)) in respect of, any of the Shares or securities referred to in (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/she/it would cease to be our Controlling Shareholder(s).

Pursuant to Note 3 to Rule 10.07(1) of the Listing Rules, each of our Controlling Shareholders has also undertaken to the Stock Exchange that, within the period commencing on the date by reference to which disclosure of his/her/its shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/she/it will:

(a) when he or she or it pledges or charges any Shares or other securities of our Company beneficially owned by him or her or it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), immediately inform us of such pledge or charge together with the number of such Shares or other securities of our Company so pledged or charged; and

(b) when he or she or it receives any indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or securities of our Company will be disposed of, immediately inform us in writing of any such indications.

We have agreed and undertaken to the Stock Exchange that, we shall inform the Stock Exchange as soon as we have been informed of the above matters (if any) by any of the Controlling Shareholders and disclose such matters by way of an announcement as soon as possible.

Undertakings pursuant to the Hong Kong Underwriting Agreement

By us

We have undertaken to each of the Sole Sponsor, the Sole Global Coordinator and the Hong Kong Underwriters that, except pursuant to the Global Offering, the Capitalization Issue, or pursuant to any transaction or arrangement contemplated in this Prospectus or with the prior written consent of the Sole Sponsor and the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) (such consent not to be unreasonably withheld or delayed) and unless in compliance with the requirements of the Listing Rules, we will not, at any time within the period commencing from the date of the Hong Kong Underwriting Agreement and ending on the date which is six months from the Listing Date (the "**First Six-month Period**"):

(a) offer, accept subscription for, pledge, allot, issue, sell, lend, mortgage, assign, charge, contract to allot, issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, or repurchase any of its share capital or other securities of our Company or any of our subsidiaries or any interest therein (including but not limited to any securities convertible into or exercisable or exchangeable for or that represent the right to receive any such share capital or securities or any interest therein); or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any such share capital or securities or any interest therein; or

(c) enter into any transaction with the same economic effect as any transaction specified in sub-paragraphs (a) or (b) above; or

(d) offer to or agree to do any of the foregoing or announce any intention to do so,

whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise, and in the event of our Company doing any of the foregoing by virtue of the aforesaid exceptions or during the period of six months immediately following the expiry of the First Six-month Period (the "**Second Six-month Period**"), our Company will take all reasonable steps to ensure that any such act will not create a disorderly or false market for the Shares or other securities of our Company.

By our Ultimate Controlling Shareholders

Each of our Ultimate Controlling Shareholders has jointly and severally undertaken to each of our Company, the Sole Sponsor, the Sole Global Coordinator, the Sole Bookrunner, the Joint Lead Managers and the Hong Kong Underwriters that, except pursuant to the Global Offering, the Capitalization Issue, or pursuant to any transaction or arrangement contemplated in this prospectus, it will not, and will procure that none of its associates will, without the prior written consent of the Company, the Sole Sponsor and the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters), at any time during the First Six-month Period:

(a) offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend, make any short sale or otherwise transfer or dispose of (nor enter into any agreement to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect of), either directly or indirectly, conditionally or unconditionally, any of the share or debt capital or other securities of our Company or any interest therein (including, but not limited to any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, any such capital or securities or any interest therein) whether now owned or hereinafter acquired, directly or indirectly, by any of our Ultimate Controlling Shareholders (including holding as a custodian) or with respect to which any of our Ultimate Controlling Shareholders has beneficial interest; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any such capital or securities or any interest therein; or

(c) enter into any transaction with the same economic effect as any transaction described in paragraph (a) or (b) above; or

(d) offer or agree or contract to, or publicly announce any intention to enter into, any transaction described in paragraph (a) or (b) or (c) above, whether any such transaction described in paragraph (a) or (b) or (c) above is to be settled by delivery of Shares or such other securities, in cash or otherwise.

In addition, during the Second Six-month Period, each of our Ultimate Controlling Shareholders will not, and will procure other Controlling Shareholders not to, enter into any of the foregoing transactions described in (a), (b), (c) or (d) or agree or contract to or publicly announce any intention to enter into any such transaction if, immediately following such transaction, it will cease to be a Controlling Shareholder or would together with the other Controlling Shareholders cease to be a "controlling shareholder" (as defined under the Listing Rules) of our Company.

Until the expiry of the Second Six-month Period, in the event that any of our Controlling Shareholders enters into any of the foregoing transactions described in (a), (b), (c) or (d) or agrees or contracts to, or publicly announces any intention to enter into any such transactions, it will take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company.

Each of our Ultimate Controlling Shareholders has further undertaken to each of our Company, the Sole Sponsor, the Sole Global Coordinator, the Sole Bookrunner, the Joint Lead Managers and the Hong Kong Underwriters that, it will and procure other Controlling Shareholders will, from the date of the Hong Kong Underwriting Agreement up to and including the expiry of the Second Six-month Period:

(a) upon any pledge or charge in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) of any share capital or other securities of our Company or any interests therein in respect of which it is the beneficial owner, immediately inform our Company and the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) in writing of such pledge or charge together with the number of Shares or other securities so pledged or charged; and

(b) upon any indication received by it, either verbal or written, from any pledgee or chargee that any of the pledged or charged shares or securities or interests in the Shares or other securities of our Company will be disposed of, immediately inform our Company, the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) in writing of such indications.

Our Company will inform the Stock Exchange, the Sole Sponsor, the Sole Global Coordinator, the Sole Bookrunner and the Joint Lead Managers in writing as soon as it has been informed of any of the matters referred to above (if any) by our Ultimate Controlling Shareholders and disclose such matters by way of a press announcement to be published in accordance with Rule 2.07C of the Listing Rules as soon as possible.

International Placing

In connection with the International Placing, it is expected that our Company, will enter into the International Underwriting Agreement with, inter alia, the International Underwriters. Under the International Underwriting Agreement, the International Underwriters will, subject to certain conditions, severally agree to subscribe or procure subscribers for the International Placing Shares being offered pursuant to the International Placing.

Commission and expenses

The Underwriters will receive an underwriting commission of 2% on the aggregate Offer Price of all the Offer Shares, out of which any sub-underwriting commission will be paid.

The underwriting commissions (excluding any incentive fee), listing fees, Stock Exchange trading fee and transaction levy, legal and printing and other professional fees and other expenses relating to the Global Offering which are estimated to be approximately HK$16.2 million in aggregate (equivalent to RMB14.6 million) (assuming an Offer Price of HK$5.01 per Offer Share (being the mid-point of the indicative Offer Price range stated in this prospectus)), are payable and borne by our Company in respect of the new Shares.

Indemnity

Our Company has agreed to indemnify the Hong Kong Underwriters against certain losses which they may suffer, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement.

Activities by Syndicate members

Set out below is a variety of activities that the Underwriters of the Hong Kong Public Offering and the International Placing, together referred to as "Syndicate Members", may each individually undertake, and which do not form part of the underwriting. It should be noted that when engaging in any these activities the Syndicate Members are subject to restrictions, including the following:

(a) under the agreement among the Syndicate Members, none of the Underwriters will, and each of the Underwriters will procure that none of its respective affiliates and agents will, in connection with the distribution of the Offer Shares, effect, cause or authorize any other person to effect any transactions including, but not limited to issuing options or derivatives on the underlying Shares (whether in the open market or otherwise and whether in Hong Kong or elsewhere) with a view to stabilizing or maintaining the market price of any of the Shares at a level higher than that which might otherwise prevail in the open market or any action which is designed to or which constitutes or which might be expected to, cause or result in the stabilization or manipulation, in violation of applicable laws, of the price of any security of the Company; and

(b) none of the Underwriters, will, during the period which begins on the commencement of trading of the Shares on the Stock Exchange and ends on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering, issue any warrant, option or derivative on the underlying Shares (whether in the open market or otherwise), except with the prior written consent of the Sole Global Coordinator.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares and entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their or part of their underlying assets, whether on the Stock Exchange or on any other stock exchange, the rules of the relevant exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

Underwriters' interests in our Company

Save for their obligations under the Underwriting Agreements, none of the Underwriters has any shareholding interests in our Company nor has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Shares in our Company nor any interest in the Global Offering.

Sponsor's Independence

Haitong International Capital satisfies the independence criteria applicable to sponsor as set out in Rule 3A.07 of the Listing Rules.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering which forms part of the Global Offering. Haitong International Capital is the Sole Sponsor for the listing of the Shares on the Stock Exchange. Haitong International Securities is the Sole Global Coordinator and the Sole Bookrunner. Haitong International Securities and HeungKong Financial are the Joint Lead Managers.

The Global Offering initially consists of:

(i) the Hong Kong Public Offering of 16,182,000 Offer Shares (subject to reallocation as mentioned below) in Hong Kong as described in the paragraph headed "Hong Kong Public Offering" in this section below; and

(ii) the International Placing of 145,638,000 Offer Shares (subject to reallocation) outside the United States in reliance on Regulation S.

Of the 145,638,000 Offer Shares initially being offered under the International Placing, 80,909,048 Offer Shares will be made available for subscription by Qualifying Times China Shareholders under the Preferential Offering as Assured Entitlement as described in the paragraph headed "The Preferential Offering" in this section below.

Investors may apply for Offer Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for the Offer Shares under the International Placing, but may not do both.

Qualifying Times China Shareholders may make an application for Reserved Shares on a **BLUE** Application Form, and in addition, will be entitled to apply for Offer Shares under the Hong Kong Public Offering but may not indicate an interest for Offer Shares under the International Placing (other than an application to subscribe to Reserved Shares under the Preferential Offering).

Reasonable steps will be taken to identify and reject applications in the Hong Kong Public Offering from investors who have received Offer Shares in the International Placing, and to identify and reject indications of interest in the International Placing from investors who have applied for Hong Kong Public Offer Shares in the Hong Kong Public Offering. The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. The International Placing will involve selective marketing of Offer Shares to professional, institutional and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. The International Underwriters are soliciting from prospective investors' indications of interest in acquiring the Offer Shares in the International Placing. Prospective professional, institutional and other investors will be required to specify the number of Offer Shares under the International Placing they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The number of Offer Shares to be offered under the Hong Kong Public Offering and International Placing, respectively, may be subject to reallocation. However, the Reserved Shares which are offered under the Preferential Offering to Qualifying Times China Shareholders out of the Offer Shares being offered under the International Placing will not be subject to reallocation between the Hong Kong Public Offering and the International Placing.

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to our Company and the Sole Global Coordinator (for itself and on behalf of the Underwriters) agreeing on the Offer Price. Our Company expects to enter into the International Underwriting Agreement relating to the International Placing on the Price Determination Date. Details of the underwriting arrangements are summarized in "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares pursuant to the Global Offering will be conditional on, among others:

(i) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue, the Offer Shares to be issued pursuant to the Global Offering and the Capitalization Issue;

(ii) the Offer Price having been fixed on or around the Price Determination Date;

(iii) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and

(iv) the obligations of the Underwriters under each of the Hong Kong Underwriting Agreement and the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements, in each case on or before the dates and times specified in the respective agreements

in each case on or before the dates and times specified in the Underwriting Agreements (unless to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date which is 30 days after the date of this prospectus.

The Offer Shares are being offered at the Offer Price which is expected to be fixed between the Sole Global Coordinator (for itself and on behalf of the Underwriters) and our Company on the Price Determination Date, which is expected to be on or around Thursday, December 12, 2019 and in any event, not later than Monday, December 16, 2019.

If, for any reason, the Offer Price is not agreed between the Sole Global Coordinator (for itself and on behalf of the Underwriters) and our Company by Monday, December 16, 2019, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Placing is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. We will cause a notice of the lapse of the Hong Kong Public Offering to be published on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.shidaiwuye.com** on the next business day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in "How to apply for the Hong Kong Public Offer Shares and Reserved Shares" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving bank(s) or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Offer Shares are expected to be issued on Wednesday, December 18, 2019 but will only become valid certificates of title at 8:00 a.m. on Thursday, December 19, 2019 provided that (i) the Global Offering has become unconditional in all respects; and (ii) the right of termination as described in "Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Grounds for Termination" in this prospectus has not been exercised. Investors who trade Shares prior to the receipt of share certificates or prior to the share certificates bearing valid certificates of title do so entirely at their own risk.

HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Our Company is initially offering 16,182,000 Offer Shares for subscription by the public in Hong Kong at the Offer Price, representing 10.0% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of Shares between (i) the International Placing; and (ii) the Hong Kong Public Offering as mentioned below, the number of the Hong Kong Public Offer Shares will represent approximately 1.78% of our Company's issued share capital immediately after completion of the Global Offering.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed "Conditions of the Global Offering" in this section of the prospectus.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Public Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Public Offer Shares.

The total number of Offer Shares available under the Hong Kong Public Offering (after taking into account of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Placing) is to be divided into two pools (subject to adjustment of odd lot size) for allocation purposes: pool A and pool B. The Hong Kong Public Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Public Offer Shares with an aggregate price of HK$5 million (excluding the brokerage, SFC transaction levy and Stock Exchange trading fee payable) or less. The Hong Kong Public Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Public Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage, SFC transaction levy and Stock Exchange trading fee payable).

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Hong Kong Public Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Hong Kong Public Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of this paragraph only, the "price" for Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Public Offer Shares from either pool A or pool B but not from both pools and can only apply for Hong Kong Public Offer Shares in either pool A or pool B.

Multiple or suspected multiple applications within either pool or between pools and any application for more than 8,091,000 Hong Kong Public Offer Shares (being 50% of the initial number of Hong Kong Public Offer Shares) are liable to be rejected.

Reallocation

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Placing is subject to reallocation at the discretion of the Sole Global Coordinator, subject to the following:

(a) where the International Placing Shares are fully subscribed or oversubscribed:

(i) if the Hong Kong Public Offer Shares are undersubscribed, the Sole Global Coordinator has the authority to reallocate all or any unsubscribed Hong Kong Public Offer Shares to the International Placing, in such proportions as the Sole Global Coordinator deems appropriate;

(ii) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents less than 15 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then up to 16,182,000 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Placing, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased up to 32,364,000 Offer Shares, representing 20% of the total number of the Offer Shares initially available under the Global Offering;

(iii) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents (A) 15 times or more but less than 50 times; (B) 50 times or more but less than 100 times; and (C) 100 times or more, of the number of Offer Shares initially available under the Hong Kong Public Offering, the Offer Shares will be reallocated to the Hong Kong Public Offering from the International Placing so that the total number of Offer Shares available under the Hong Kong Public Offering will be increased up to 48,546,000 Offer Shares (in the case of (A)), 64,728,000 Offer Shares (in the case of (B)) and 80,910,000 Offer Shares (in the case of (C)) representing 30%, 40% and 50% of the Offer Shares initially available under the Global Offering, respectively;

(b) where the International Placing Shares are undersubscribed:

(i) if the Hong Kong Public Offer Shares are also undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe for or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this prospectus, the Application Forms and the Underwriting Agreements; and

(ii) if the Hong Kong Public Offer Shares are fully subscribed or oversubscribed (irrespective of the extent of over-subscription), then up to 16,182,000 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Placing, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased up to 32,364,000 Offer Shares, representing 20% of the total number of the Offer Shares initially available under the Global Offering.

For any reallocation of Offer Shares from the International Placing to the Hong Kong Public Offering above, such allocation will be conducted in accordance with Practice Note 18 of the Listing Rules. In accordance with the guidance letter HKEX-GL91-18 issued by the Stock Exchange, if such reallocation is done other than pursuant to Practice Note 18 of the Listing Rules, the maximum total number of Offer Shares that may be allocated to the Hong Kong Public Offering following such reallocation shall be not more than double of the initial allocation to the Hong Kong Public Offering (i.e. 32,364,000 Shares).

In the event of reallocation of Offer Shares from the International Placing to the Hong Kong Public Offering in the circumstances described in paragraph (a)(ii) or (b)(ii) above, the final Offer Price shall be fixed at the bottom end of the Offer Price range (i.e. HK$4.23 per Offer Share).

In all cases of reallocation of Offer Shares from the International Placing to the Hong Kong Public Offering, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B in equal proportion and the number of Offer Shares allocated to the International Placing will be correspondingly reduced.

The Reserved Shares which are offered under the Preferential Offering to Qualifying Times China Shareholders out of the Offer Shares being offered under the International Placing will not be subject to reallocation between the Hong Kong Public Offering and the International Placing.

Applications

The Sole Global Coordinator (on behalf of the Underwriters) may require any investor who has been offered Shares under the International Placing, and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Sole Global Coordinator so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application for Shares under Hong Kong Public Offering.

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the Application Form submitted by him that he and any person(s) for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing (except in respect of Reserved Shares applied for under the Preferential Offering), and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated (including conditionally and/or provisionally) Offer Shares under the International Placing.

The Listing of the Offer Shares on the Stock Exchange is sponsored by the Sole Sponsor. Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum price of HK$5.80 per Offer Share in addition to any brokerage, SFC transaction levy and Stock Exchange trading fee payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the sub-section headed "Price determination of the Global Offering" in this section of the prospectus, is less than the maximum price of HK$5.80 per Share, appropriate refund payments (including the brokerage, SFC transaction levy and Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in "How to apply for the Hong Kong Public Offer Shares and Reserved Shares" in this prospectus.

References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Hong Kong Public Offering and the Preferential Offering.

THE PREFERENTIAL OFFERING

Basis of the Assured Entitlement

In order to enable Times China Shareholders to participate in the Global Offering on a preferential basis as to allocation only, subject to the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares on the Main Board of the Stock Exchange and the Global Offering becoming unconditional, Qualifying Times China Shareholders are being invited to apply for an aggregate of 80,909,048 Reserved Shares in the Preferential Offering, representing approximately 55.6% and 50.0% of the Offer Shares available under the International Placing and the Global Offering, respectively as Assured Entitlement. The Reserved Shares are being offered out of the Offer Shares under the International Placing and are not subject to reallocation as described in the section headed "—The Hong Kong Public Offering—Reallocation" above.

The basis of the Assured Entitlement is one Reserved Share for every integral multiple of 24 Times China Shares held by Qualifying Times China Shareholders as at 4:30 p.m. on the Record Date.

Qualifying Times China Shareholders should note that Assured Entitlement to Reserved Shares may not represent a number of a full board lot of 1,000 Shares. Further, the Reserved Shares allocated to the Qualifying Times China Shareholders will be rounded down to the closest whole number if required, and dealings in odd lots of the Shares may be at a price below the prevailing market price for full board lots.

Haitong International Securities Company Limited will provide matching services, on a best efforts basis, to the Qualifying Times China Shareholders to facilitate the trading of odd lots (if any) of Shares which the Qualifying Times China Shareholders may receive under the Preferential Offering.

Assured Entitlement of Qualifying Times China Shareholders to Reserved Shares are not transferable and there will be no trading in nil-paid entitlements on the Stock Exchange.

Qualifying Times China Shareholders who hold less than 24 Times China Shares on the Record Date and therefore will not have an Assured Entitlement to the Reserved Shares will still be entitled to participate the Preferential Offering by applying only for excess Reserved Shares as further described below.

Basis of Allocation for Applications for Reserved Shares

Qualifying Times China Shareholders may apply for a number of Reserved Shares which is greater than, less than or equal to their Assured Entitlement under the Preferential Offering.

A valid application for a number of Reserved Shares which is less than or equal to a Qualifying Times China Shareholder's Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions set out in the **BLUE** Application Forms, and assuming the conditions of the Preferential Offering are satisfied.

Where a Qualifying Times China Shareholder applies for a number of Reserved Shares which is greater than the Qualifying Times China Shareholder's Assured Entitlement under the Preferential Offering, the relevant Assured Entitlement will be satisfied in full (subject to terms and conditions mentioned above) but the excess portion of such application will only be met to the extent that there are sufficient Available Reserved Shares as described below.

Where a Qualifying Times China Shareholder applies for excess Reserved Shares only under the Preferential Offering, such application will only be satisfied to the extent that there are sufficient Available Reserved Shares as described below.

Qualifying Times China Shareholders (other than HKSCC Nominees) who intend to apply for less than their Assured Entitlement using the **BLUE** Application Forms for Assured Entitlement or who intend to apply for excess Reserved Shares using the **BLUE** Application Forms for excess Reserved Shares, should apply for a number which is one of the numbers set out in the table of numbers and payments in the **BLUE** Application Form and make a payment of the corresponding amount. If you are a Qualifying Times China Shareholder and wish to apply for excess Reserved Shares in addition to your Assured Entitlement, you should complete and sign the **BLUE** Application Form for excess Reserved Shares and lodge it, together with a separate remittance for the full amount payable on application in respect of the excess Reserved Shares applied for.

To the extent that the excess applications for the Reserved Shares are:

(a) less than the Reserved Shares not taken up by the Qualifying Times China Shareholders' Assured Entitlement (the "**Available Reserved Shares**"), the Available Reserved Shares will first be allocated to satisfy such excess applications for the Reserved Shares in full and thereafter will be allocated, at the discretion of the Sole Global Coordinator, to the International Placing;

(b) equal to the Available Reserved Shares, the Available Reserved Shares will be allocated to satisfy such excess applications for the Reserved Shares in full; or

(c) more than the Available Reserved Shares, the Available Reserved Shares will be allocated on a fair and reasonable basis, which is consistent with the allocation basis commonly used in the case of oversubscriptions in public offerings in Hong Kong, where a higher allocation percentage will be applied in respect of smaller applications of excess Reserved Shares. If there is an odd lot number of Shares left after satisfying the excess applications, such number of odd lot Shares will be re-allocated, at the discretion of the Sole Global Coordinator, to the International Placing.

Save for the above, the Preferential Offering will not be subject to the clawback arrangement between the International Placing and the Hong Kong Public Offering.

Beneficial Times China Shareholders whose Times China Shares are held by a nominee company should note that the Company will regard the nominee company as a single Times China Shareholder according to the register of members of Times China. Accordingly, any Beneficial Times China Shareholders whose Times China Shares are registered in the name of a nominee, trustee or registered holder in any other capacity should make arrangements with such nominee, trustee or registered holder in relation to applications for Reserved Shares under the Preferential Offering. Any such person is advised to consider whether it wishes to arrange for the registration of the relevant Times China Shares in the name of the beneficial owner prior to the Record Date.

The Company has sought the Stock Exchange's consent for, and the Stock Exchange has granted to our Company, a waiver from strict compliance with Rules 10.03 of the Listing Rules and a consent under paragraph 5(2) of Appendix 6 to the Listing Rules for the inclusion of Times China Non-Independent Participants, who are Qualifying Times China Shareholders, as the eligible participants under the Preferential Offering, subject to the conditions that:

(a) no preferential treatment will be given to the Times China Non-Independent Participants who are Qualifying Times China Shareholders in the allocation of the Reserved Shares under the Preferential Offering;

(b) the Times China Non-Independent Participants in their capacity as Qualifying Times China Shareholders will not apply for such number of Reserved Shares which is more than the total number of Reserved Shares;

(c) save as the Preferential Offering, none of the Times China Non-Independent Participants will participate or indicate any interest in the International Placing and the Hong Kong Public Offering;

(d) the allocation of the Reserved Shares will be on a pro rata basis amongst all Qualifying Times China Shareholders (who have applied for the Reserved Shares) and no preferential treatment (in terms of allocation) will be given to the Times China Non-Independent Participants (who have applied for the Reserved Shares and in their capacity as Qualifying Times China Shareholders) as compared to other Qualifying Times China Shareholders; and

(e) the minimum public float requirement under Rule 8.08(1) of the Listing Rules will be complied with immediately after completion of the Spin-off.

Applications by Qualifying Times China Shareholders for Hong Kong Public Offer Shares

In addition to any application for Reserved Shares made on a **BLUE** Application Form, Qualifying Times China Shareholders will be entitled to make one application for Hong Kong Public Offer Shares on **WHITE** or **YELLOW** Application Forms or by giving electronic application instructions to HKSCC via CCASS or through the **White Form eIPO** service. Qualifying Times China Shareholders will receive no preference as to entitlement or allocation in respect of applications for Hong Kong Public Offer Shares made on **WHITE** or **YELLOW** Application Forms or by giving electronic application instructions to HKSCC or through the **White Form eIPO** service under the Hong Kong Public Offering.

Beneficial Times China Shareholders who hold Times China Shares through Shenzhen-Hong Kong Stock Connect and/or the Shanghai-Hong Kong Stock Connect

As at the Latest Practicable Date, Times China Shares are eligible stock for southbound trading under the Shenzhen-Hong Kong Stock Connect and the Shanghai-Hong Kong Stock Connect. Beneficial Times China Shareholders who hold Times China Shares through Shenzhen-Hong Kong Stock Connect and/or the Shanghai-Hong Kong Stock Connect should note that pursuant to Article 23 of the Implementation Rules for Registration, Depository and Clearing Services under the Mainland China-Hong Kong Stock Markets Connect Program (《內地與香港股票市場交易互聯互通機制登記、存管、結算業務實施細則》), CSDCC does not provide services relating to the subscription of newly issued shares. Accordingly, Beneficial Times China Shareholders who hold Times China Shares through Shenzhen-Hong Kong Stock Connect and/or the Shanghai-Hong Kong Stock Connect cannot participate in the Preferential Offering and will not be able to take up their respective Assured Entitlement to the Reserved Shares under the Preferential Offering through the trading mechanism of Shenzhen-Hong Kong Stock Connect and/or the Shanghai-Hong Kong Stock Connect.

Qualifying Times China Shareholders

Only Times China Shareholders whose names appeared on the register of members of Times China on the Record Date are entitled to subscribe for the Reserved Shares under the Preferential Offering.

According to the register of members of Times China on the Record Date, there was no Times China Shareholders with registered addresses in, or who are otherwise known by Times China to be residents of, jurisdictions outside Hong Kong, in respect of whom the directors of Times China and the Company, based on the enquiries made by them, consider it necessary or expedient to exclude from the Preferential Offering on account either of the legal restrictions under the laws of the relevant jurisdiction in which the relevant Times China Shareholder is resident or the requirements of the relevant regulatory body or stock exchange in that jurisdiction.

Distribution of this Prospectus and the BLUE Application Forms

BLUE Application Forms have been despatched to all Qualifying Times China Shareholders. In addition, a printed copy of this Prospectus will be despatched to all Qualifying Times China Shareholders to their address recorded on the register of members of Times China on the Record Date.

Qualifying Times China Shareholders may also obtain a printed copy of this prospectus during normal business hours from any of the designated branches of the receiving bank and the designated offices of each of those Hong Kong Underwriters as set out in "How to apply for the Hong Kong Public Offer Shares and Reserved Shares".

Distribution of this prospectus and/or the **BLUE** Application Form(s) into any jurisdiction other than Hong Kong may be restricted by law. Persons into whose possession this prospectus and/or the **BLUE** Application Form(s) come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of, and observe, any such restriction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction.

Receipt of this prospectus and/or the **BLUE** Application Form(s) does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this prospectus and/or the **BLUE** Application Form(s) must be treated as sent for information only and should not be copied or redistributed.

Application Procedures

The procedures for application under and the terms and conditions of the Preferential Offering are set out in "How to apply for the Hong Kong Public Offer Shares and Reserved Shares—B. Applications for Reserved Shares" and on the **BLUE** Application Forms.

The documents to be issued in connection with the Hong Kong Public Offering and the Preferential Offering will not be registered or filed under applicable securities or equivalent legislation of any jurisdiction other than Hong Kong. No action has been taken to permit an offering of the Hong Kong Public Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation.

INTERNATIONAL PLACING

Number of Offer Shares offered

The number of Offer Shares to be initially offered for subscription under the International Placing will be 145,638,000 Shares, representing 90.0% of the total number of the Offer Shares initially available under the Global Offering (subject to reallocation). Subject to any reallocation of Offer Shares between the International Placing and the Hong Kong Public Offering, the International Placing Shares will represent approximately 16.0% of our enlarged issued share capital immediately after completion of the Global Offering. The Reserved Shares being offered pursuant to the Preferential Offering are being offered out of the International Placing Shares.

The International Placing is subject to the same conditions as stated in the sub-section headed "Conditions of the Global Offering" in this section of the prospectus.

Allocation

The International Placing will include selective marketing of Offer Shares to professional, institutional and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Allocation of Offer Shares pursuant to the International Placing will be effected in accordance with the book-building process described in the sub-section headed "Price determination of the Global Offering" in this section of the prospectus and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the Listing of the Offer Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our Shareholders as a whole.

Reallocation

The total number of Offer Shares to be issued pursuant to the International Placing may change as a result of the clawback arrangement described in the paragraphs under "Hong Kong Public Offering—Reallocation" above and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

PRICE DETERMINATION OF THE GLOBAL OFFERING

The Offer Price is expected to be fixed on the Price Determination Date, which is expected to be on or around Thursday, December 12, 2019, and in any event on or before Monday, December 16, 2019 by agreement between the Sole Global Coordinator (for itself and on behalf of the Underwriters) and our Company.

The Offer Price will be not more than HK$5.80 per Share and is expected to be not less than HK$4.23 per Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Public Offering.

Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

The Sole Global Coordinator, for itself and on behalf of the Underwriters, may, where considered appropriate, based on the level of interest expressed by prospective professional, institutional and other investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares offered in the Global Offering and/or the indicative Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese), and on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.shidaiwuye.com** notices of the reduction and will, as soon as practicable following the decision to make such reduction, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range, extend the period under which the Hong Kong Public Offering was opened for acceptance to allow potential investors sufficient time to consider their subscriptions or reconsider their submitted subscriptions, and give potential investors who had applied for the Hong Kong Offer Shares the right to withdraw their applications under the Hong Kong Public Offering. Such announcement and supplemental prospectus shall also include confirmation or revision, as appropriate, of the Global Offering statistics as currently set forth in the section headed "Summary" in this prospectus and any other financial information which may change as a result of such reduction. Upon the issue of such a notice and the supplemental prospectus, the revised number of Offer Shares and/or Offer Price range will be final and conclusive and the

Offer Price, if agreed upon by our Company and the Sole Global Coordinator (on behalf of the Underwriters), will be fixed within such revised Offer Price range. Applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice and the supplemental prospectus will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set forth in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice and any such supplemental prospectus so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon between our Company and the Sole Global Coordinator (on behalf of the Underwriters), will under no circumstances be set outside the Offer Price range stated in this prospectus. However, if the number of Offer Shares and/or the Offer Price range is reduced, applicants under the Hong Kong Public Offering will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedures to be notified, all unconfirmed applications will be deemed revoked.

In the event of a reduction in the number of Offer Shares, the Sole Global Coordinator may, at its discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Placing, provided that the number of Offer Shares comprised in the Hong Kong Public Offering shall not be less than 10% of the total number of Offer Shares available under the Global Offering. The Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Placing may, in certain circumstances, be reallocated between these offerings at the discretion of the Sole Global Coordinator.

The final Offer Price, the levels of indication of interest in the International Placing, the results of applications, the level of applications in the Hong Kong Public Offering and the Preferential Offering, and the basis of allotment of Hong Kong Public Offer Shares under the Hong Kong Public Offering and Reserved Shares under the Preferential Offering, are expected to be announced on Wednesday, December 18, 2019 in the manner set out in "How to apply for the Hong Kong Public Offer Shares and Reserved Shares—E. Publication of Results" in this prospectus.

DEALING

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Thursday, December 19, 2019, it is expected that dealings in the Offer Shares on the Stock Exchange will commence at 9:30 a.m. on Thursday, December 19, 2019, and will be traded in board lots of 1,000 Shares.

A. APPLICATIONS FOR HONG KONG PUBLIC OFFER SHARES

1. How to Apply

If you apply for Hong Kong Public Offer Shares, then you may not apply for or indicate an interest for International Placing Shares (except in respect of Reserved Shares applied for pursuant to the Preferential Offering).

To apply for Hong Kong Public Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;

- apply online via the **White Form eIPO service** at **www.eipo.com.hk**; or

- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

The Company, the Sole Global Coordinator, the **White Form eIPO** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. Who can Apply

You can apply for Hong Kong Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;

- have a Hong Kong address;

- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and

- are not a legal or natural person of the PRC.

If you apply online through the **White Form eIPO service**, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorized officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Sole Global Coordinator may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **White Form eIPO service** for the Hong Kong Public Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Public Offer Shares if you are:

- an existing beneficial owner of Shares in the Company and/or any its subsidiaries;
- a Director or chief executive officer of the Company and/or any of its subsidiaries;
- a connected person (as defined in the Listing Rules) of the Company or will become a connected person of the Company immediately upon completion of the Global Offering;
- a close associate (as defined in the Listing Rules) of any of the above; or
- have been allocated or have applied for any International Placing Shares or otherwise participate in the International Placing (other than pursuant to the Preferential Offering).

3. Applying for Hong Kong Public Offer Shares

Which Application Channel to Use

For Hong Kong Public Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through **www.eipo.com.hk**.

For Hong Kong Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours between from 9:00 a.m. on Monday, December 9, 2019 until 12:00 noon on Thursday, December 12, 2019 from:

(i) any of the following addresses of the Hong Kong Underwriters:

Haitong International Securities Company Limited	22nd Floor, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
HeungKong Securities Limited	Suite 622, Ocean Centre, Harbour City Tsim Sha Tsui Kowloon Hong Kong

(ii) any of the following branches of Bank of China (Hong Kong) Limited:

District	Branch	Address
Hong Kong Islands	North Point (King's Centre) Branch	193-209 King's Road, North Point, Hong Kong
Kowloon	Castle Peak Road (Cheung Sha Wan) Branch	365-371 Castle Peak Road, Cheung Sha Wan, Kowloon
New Territories	Kwai Cheong Road Branch	40 Kwai Cheong Road, Kwai Chung, New Territories

You can collect a **YELLOW** Application Form and a copy of the prospectus during normal business hours from 9:00 a.m. on Monday, December 9, 2019 until 12:00 noon on Thursday, December 12, 2019, from the **Depository Counter of HKSCC** at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong; or from your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to BANK OF CHINA (HONG KONG) NOMINEES LIMITED – TIMES NEIGHBORHOOD PUBLIC OFFER for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving banks listed above, at the following times:

Monday, December 9, 2019 – 9:00 a.m. to 5:00 p.m.
Tuesday, December 10, 2019 – 9:00 a.m. to 5:00 p.m.
Wednesday, December 11, 2019 – 9:00 a.m. to 5:00 p.m.
Thursday, December 12, 2019 – 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Thursday, December 12, 2019, the last application day or such later time as described in "D. Effect of bad weather and/or extreme conditions on the opening of the applications lists" in this section.

4. Terms and Conditions of an Application

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **White Form eIPO service**, among other things, you:

(i) undertake to execute all relevant documents and instruct and authorize the Company and/or the Sole Global Coordinator (or their agents or nominees), as agents of the Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;

(ii) agree to comply with the Companies (WUMP) Ordinance and the Articles of Association;

(iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;

(iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;

(v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;

(vi) agree that none of the Company, the Sole Sponsor, the Sole Global Coordinator, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);

(vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing nor participated in the International Placing (except in respect of the Reserved Shares applied for under the Preferential Offering);

(viii) agree to disclose to the Company, the Sole Sponsor, the Sole Global Coordinator, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, our Hong Kong Share Registrar, receiving bank, and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

(ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of the Company, the Sole Sponsor, the Sole Global Coordinator, the Sole Bookrunner, the Joint Lead Managers and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;

(x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

(xi) agree that your application will be governed by the laws of Hong Kong;

(xii) represent, warrant and undertake that (i) you understand that the Hong Kong Public Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Public Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

(xiii) warrant that the information you have provided is true and accurate;

(xiv) agree to accept the Hong Kong Public Offer Shares applied for, or any lesser number allocated to you under the application;

(xv) authorize the Company to place your name(s) or the name of the HKSCC Nominees, on the Company's register of members as the holder(s) of any Hong Kong Public Offer Shares allocated to you, and the Company and/or its agents to send any share certificate(s) and/or e-Refund payment instructions and/or any refund cheque(s) to you or the first named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you are eligible to collect the share certificate(s) and/or refund cheque(s) in person;

(xvi) declare and represent that except for an application made by a Qualifying Times China Shareholder under the Preferential Offering, this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xvii) understand that the Company, the Sole Global Coordinator and the Hong Kong Underwriters will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Public Offer Shares to you and that you may be prosecuted for making a false declaration;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving electronic application instructions to HKSCC or to the **White Form eIPO** Service Provider by you or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving electronic application instructions to HKSCC; and (ii) you have due authority to sign the Application Form or give electronic application instructions on behalf of that other person as their agent.

Additional Instructions for Yellow Application Form

You may refer to the **Yellow** Application Form for details.

5. Applying through White Form eIPO Service

General

Individuals who meet the criteria in "Who can apply" section, may apply through the **White Form eIPO service** for the Offer Shares to be allotted and registered in their own names through the designated website at **www.eipo.com.hk**.

Detailed instructions for application through the **White Form eIPO service** are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to the Company. If you apply through the designated website, you authorize the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO service**.

Time for Submitting Applications under the White Form eIPO

You may submit your application to the **White Form eIPO** Service Provider at **www.eipo.com.hk** (24 hours daily, except on the last application day) from 9:00 a.m. on Monday, December 9, 2019 until 11:30 a.m. on Thursday, December 12, 2019 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Thursday, December 12, 2019 or such later time under the "—D. Effect of bad weather and/or extreme conditions on the opening of the applications lists" in this section.

No Multiple Applications

If you apply by means of **White Form eIPO**, once you complete payment in respect of any electronic application instruction given by you or for your benefit through the **White Form eIPO service** to make an application for Hong Kong Public Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an electronic application instruction under **White Form eIPO** more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **White Form eIPO service** or by any other means (except where you applied as or for a Qualifying Times China Shareholder under the Preferential Offering), all of your applications are liable to be rejected.

Section 40 of the Companies (WUMP) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the Companies (WUMP) Ordinance (as applied by Section 342E of the Companies (WUMP) Ordinance).

Commitment to sustainability

The obvious advantage of **White Form eIPO** service is to save the use of paper via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated **White Form eIPO** Service Provider, will contribute HK$2 for each "Times Neighborhood Holdings Limited" **White Form eIPO** application submitted via **www.eipo.com.hk** to support sustainability.

6. Applying by Giving Electronic Application Instructions to HKSCC via CCASS

General

CCASS Participants may give electronic application instructions to apply for the Hong Kong Public Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these electronic application instructions through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (**https://ip.ccass.com**) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input electronic application instructions for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Centre
1/F, One & Two Exchange Square
8 Connaught Place
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Hong Kong Public Offer Shares on your behalf.

You will be deemed to have authorized HKSCC and/or HKSCC Nominees to transfer the details of your application to the Company, the Sole Global Coordinator and our Hong Kong Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given electronic application instructions to apply for the Hong Kong Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

(i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;

(ii) HKSCC Nominees will do the following things on your behalf:

- agree that the Hong Kong Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Investor Participant's stock account on your behalf or your designated CCASS Participant's stock account;

- agree to accept the Hong Kong Public Offer Shares applied for or any lesser number allocated;

- undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing (except in respect of Reserved Shares applied for under the Preferential Offering);

- declare that only one set of electronic application instructions has been given for your benefit;

- (if you are an agent for another person) declare that you have only given one set of electronic application instructions for the other person's benefit and are duly authorized to give those instructions as their agent;

- confirm that you understand that the Company and the Sole Global Coordinator will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Public Offer Shares to you and that you may be prosecuted if you make a false declaration;

- authorize the Company to place HKSCC Nominees' name on the Company's register of members as the holder of the Hong Kong Public Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;

- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;

- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;

- agree that none of the Company, the Sole Sponsor, the Sole Global Coordinator, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);

- agree to disclose your personal data to the Company, the Sole Sponsor, the Sole Global Coordinator, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, our Hong Kong Share Registrar, receiving banks, and/or its respective advisers and agents;

- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;

- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Hong Kong Public Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (WUMP) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your electronic application instructions can be revoked, and that acceptance of that application will be evidenced by the Company's announcement of the Hong Kong Public Offering results;

- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving electronic application instructions to apply for Hong Kong Public Offer Shares;

- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving electronic application instructions) to observe and comply with the Companies (WUMP) Ordinance and the Articles of Association; and

- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving electronic application instructions to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to the Company or any other person in respect of the things mentioned below:

- instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Public Offer Shares on your behalf;

- instructed and authorized HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and

- instructed and authorized HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions for a minimum of 1,000 shares Hong Kong Public Offer Shares. Instructions for more than 1,000 shares Hong Kong Public Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Public Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions[(1)]

CCASS Clearing/Custodian Participants can input electronic application instructions at the following times on the following dates:

Monday, December 9, 2019	**–**	**9:00 a.m. to 8:30 p.m.**
Tuesday, December 10, 2019	**–**	**8:00 a.m. to 8:30 p.m.**
Wednesday, December 11, 2019	**–**	**8:00 a.m. to 8:30 p.m.**
Thursday, December 12, 2019	**–**	**8:00 a.m. to 12:00 noon**

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Monday, December 9, 2019 until 12:00 noon on Thursday, December 12, 2019 (24 hours daily, except December 12, 2019, the last application day).

The latest time for inputting your electronic application instructions will be 12:00 noon on Thursday, December 12, 2019, the last application day or such later time as described in "—D. Effect of bad weather and/or extreme conditions on the opening of the application lists" in this section.

Note:

1. The times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Public Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any electronic application instructions to make an application for the Hong Kong Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (WUMP) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the Companies (WUMP) Ordinance (as applied by Section 342E of the Companies (WUMP) Ordinance.

Personal Data

The section of the Application Form headed "Personal Data" applies to any personal data held by the Company, the Hong Kong Share Registrar, the receiving bank, the Sole Global Coordinator, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. Warning for Electronic Applications

The subscription of the Hong Kong Public Offer Shares by giving electronic application instructions to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Public Offer Shares through the **White Form eIPO service** is also only a facility provided by the **White Form eIPO** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, the Directors, the Sole Sponsor, the Sole Global Coordinator, the Sole Bookrunner and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **White Form eIPO service** will be allotted any Hong Kong Public Offer Shares.

To ensure that CCASS Investor Participants can give their electronic application instructions, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of electronic application instructions, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Centre to complete an input request form for electronic application instructions before 12:00 noon on Thursday, December 12, 2019.

8. How Many Applications can you Make

Multiple applications for the Hong Kong Public Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

If you are a Qualifying Times China Shareholder applying for Reserved Shares under the Preferential Offering on the **BLUE** Application Form, you may also make one application for the Hong Kong Public Offer Shares either on a **WHITE** or **YELLOW** Application Form or electronically through CCASS (if you are a CCASS Investor Participant or act through a CCASS Clearing or Custodian Participant) or submit an application through the **White Form eIPO** service through the designated website at **www.eipo.com.hk**. However, in respect of any application for Hong Kong Public Offer Shares using the above methods, you will not enjoy the preferential treatment accorded to you under the Preferential Offering as described in "Structure and conditions of the Global Offering—The Preferential Offering" in this prospectus.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving electronic application instructions to HKSCC or through **White Form eIPO service**, is made for your benefit (including the part of the application made by HKSCC Nominees acting on electronic application instructions). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or

- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

B. APPLICATIONS FOR RESERVED SHARES

1. Who Can Apply For The Reserved Shares

Only Times China Shareholders whose names appeared on the register of members of Times China on the Record Date are entitled to subscribe for the Reserved Shares under the Preferential Offering.

According to the register of members of Times China on the Record Date, there was no Times China Shareholders with registered addresses in, or who are otherwise known by Times China to be residents of, jurisdictions outside Hong Kong on the Record Date, in respect of whom the directors of Times China and the Company, based on the enquiries made by them, consider it necessary or expedient to exclude them from the Preferential Offering on account either of the legal restrictions under the laws of the relevant jurisdiction in which the relevant Times China Shareholder is resident or the requirements of the relevant regulatory body or stock exchange in that jurisdiction.

Notwithstanding any other provision in this prospectus or the **BLUE** Application Forms, the Company reserves the right to permit any Times China Shareholder to take up his/her/its Assured Entitlement to the Reserved Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the transactions described above.

Qualifying Times China Shareholders are entitled to apply on the basis of an Assured Entitlement or one Reserved Share for every 24 Times China Shares held by them on the Record Date.

Qualifying Times China Shareholders who hold less than 24 Times China Shares on the Record Date will not have an Assured Entitlement to the Reserved Shares, but they will still be entitled to participate in the Preferential Offering by applying for excess Reserved Shares.

If the applicant is a firm, the application must be in an individual members' names, but not in the name of the firm. If the applicant is a body corporate, the **BLUE** Application Form must be signed by a duly authorized officer, who must state his representative capacity, and stamped with the corporation's chop.

If an application is made by a duly authorized person under a valid power of attorney, the Company and the Sole Global Coordinator, as the Company's agents, may accept it at their discretion, and on any conditions they think fit, including requiring evidence of the attorney's authority. The Company and the Sole Global Coordinator, as the Company's agents, will have full discretion to reject or accept any application, in full or in part, without giving any reason.

You cannot apply for any Reserved Shares if you are:

- an existing beneficial owner of Shares in the Company and/or of its subsidiaries;
- a Director or chief executive of the Company and/or any of the Company's subsidiaries (other than a Director and/or his close associates, who are Qualifying Times China Shares who may apply for Reserved Shares pursuant to the Preferential Offering);
- a connected person of the Company or will become a connected person of the Company immediately upon completion of the Global Offering; or
- a close associate of any of the above persons.

2. How to Apply

An application for Reserved Shares under the Preferential Offering may only be made by Qualifying Times China Shareholders using **BLUE** Application Forms which have been despatched to Qualifying Times China Shareholders by the Company.

Qualifying Times China Shareholders may apply for a number of Reserved Shares which is greater than, less than or equal to their Assured Entitlement or may apply only for excess Reserved Shares under the Preferential Offering. Qualifying Times China Shareholders who hold less than 24 Times China Holdings Shares on the Record Date and therefore will not have an Assured Entitlement to the Reserved Shares but will still be entitled to participate in the Preferential Offering by applying only for excess Reserved Shares.

A valid application for a number of Reserved Shares which is less than or equal to a Qualifying Times China Shareholder's Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions set out in the **BLUE** Application Forms assuming the conditions of the Preferential Offering are satisfied.

Where a Qualifying Times China Shareholder applies for a number of Reserved Shares which is greater than the Qualifying Times China Shareholder's Assured Entitlement under the Preferential Offering, the relevant Assured Entitlement will be satisfied full, subject as mentioned above, but the excess portion of such application will only be satisfied to the extent that there are sufficient Available Reserved Shares as described below.

Where a Qualifying Times China Shareholder applies for excess Reserved Shares only under the Preferential Offering, such application will only be satisfied to the extent that there are sufficient Available Reserved Shares as described below.

Qualifying Times China Shareholders (other than HKSCC Nominees) who intend to apply for less than their Assured Entitlement using the **BLUE** Application Forms for Assured Entitlement or who intend to apply for excess Reserved Shares using the **BLUE** Application Forms for excess Reserved Shares, should apply for a number which is one of the numbers set out in the table of numbers and payments in the **BLUE** Application Form and make a payment of the corresponding amount. If you are a Qualifying Times China Shareholder and wish to apply for excess Reserved Shares in addition to your Assured Entitlement, you should complete and sign the **BLUE** Application Form for excess Reserved Shares and lodge it, together with a separate remittance for the full amount payable on application in respect of the excess Reserved Shares applied for or apply for.

To the extent that excess applications for the Reserved Shares are:

(a) less than the Available Reserved Shares, the Available Reserved Shares will first be allocated to satisfy such excess applications for the Reserved Shares in full and thereafter will be allocated, at the discretion of the Sole Global Coordinator, to the International Placing;

(b) equal to the Available Reserved Shares, the Available Reserved Shares will be allocated to satisfy such excess applications for the Reserved Shares in full; or

(c) more than the Available Reserved Shares, the Available Reserved Shares will be allocated on an allocation basis which will be consistent with the allocation basis commonly used in the case of oversubscription in public offerings in Hong Kong, where a higher allocation percentage will be applied in respect of smaller applications. If there are any Reserved Shares remaining after satisfying the excess applications, such Reserved Shares will be reallocated, at the discretion of the Sole Global Coordinator, to the International Placing. No preference will be given to any excess applications made to top up odd lot holdings to whole lot holdings of Shares.

Save for the above, the Preferential Offering will not be subject to the clawback arrangement between the International Placing and the Hong Kong Public Offering.

Qualifying Times China Shareholders who have applied for Reserved Shares under the Preferential Offering on the **BLUE** Application Form, may also make one application either on a **WHITE** or **YELLOW** Application Form, or by giving electronic application instructions to HKSCC via CCASS (if you are a CCASS Investor Participant or act through a CCASS Clearing or Custodian Participant) or through the **White Form eIPO** service for the Hong Kong Public Offer Shares in the Hong Kong Public Offering. However, Qualifying Times China Shareholders will receive no preference as to entitlement or allocation in respect of applications for Hong Kong Public Offer Shares made on **WHITE** or **YELLOW** Application Forms or by giving electronic application instructions to HKSCC or through the **White Form eIPO** service under the Hong Kong Public Offering.

Persons who held their Times China Shares on the Record Date in CCASS indirectly through a broker/custodian, and wish to participate in the Preferential Offering, should instruct their broker or custodian to apply for the Reserved Shares on their behalf by no later than the deadline set by HKSCC or HKSCC Nominees. In order to meet the deadline set by HKSCC, such persons should check with their broker/custodian for the timing on the processing of their instructions, and submit their instructions to their broker/custodian as required by them.

Persons who held their Times China Shares on the Record Date in CCASS directly as a CCASS Investor Participant, and wish to participate in the Preferential Offering, should give their instruction to HKSCC via the CCASS Phone System or CCASS Internet System by no later than the deadline set by HKSCC or HKSCC Nominees.

3. Distribution of this Prospectus and the Blue Application Forms

BLUE Application Forms have been despatched to all Qualifying Times China Shareholders to their address recorded on the register of members of Times China on the Record Date.

In addition, a printed copy of this Prospectus will be despatched to all Qualifying Times China Shareholders to their address recorded on the register of members of Times China on the Record Date.

Qualifying Times China Shareholders may also obtain a printed copy of this prospectus during normal business hours from any of the designated branches of the receiving bank, Bank of China (Hong Kong) Limited, and the designated offices of each of the Hong Kong Underwriters as set out in "—A. Applications for Hong Kong Public Offer Shares—3. Applying for Hong Kong Public Offer Shares—Where to collect the Application Forms" in this section.

Qualifying Times China Shareholders who require a replacement **BLUE** Application Form should contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or on its hotline 2862 8555.

Distribution of this prospectus and/or the **BLUE** Application Forms into any jurisdiction other than Hong Kong may be restricted by law. Persons who come into possession of this prospectus and/or the **BLUE** Application Forms (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

4. Applying by using the Blue Application Forms

(a) The **BLUE** Application Form will be rejected by the Company if:

- the **BLUE** Application Form is not completed in accordance with the instructions as stated in the **BLUE** Application Form;

- the **BLUE** Application Form has not been duly signed (only written signatures are acceptable) (or in the case of a joint application, not all applicants have signed);

- in respect of applicants who are corporate entities, the **BLUE** Application Form has not been duly signed (only written signature is acceptable) by an authorized officer or affixed with a company chop;

- the cheque/banker's cashier order/**BLUE** Application Form is defective;

- the **BLUE** Application Form for either Reserved Shares pursuant to the Assured Entitlement or excess Reserved Shares is not accompanied with a cheque/banker's cashier order or is accompanied by more than one cheque/banker's cashier order for each of the application for Assured Entitlement and excess application for Reserved Shares;

- the account name on the cheque/banker's cashier order is not pre-printed or certified by the issuing bank;

- the banker's cashier order was not issued by a licensed bank in Hong Kong, or did not have the applicant's name certified on the back by a person authorized by the bank;

- the cheque/banker's cashier order is not drawn on a Hong Kong dollar bank account in Hong Kong;

- the name of the payee indicated on the cheque/banker's cashier order is not "BANK OF CHINA (HONG KONG) NOMINEES LIMITED – TIMES NEIGHBORHOOD PREFERENTIAL OFFER;"

- the cheque has not been crossed "Account Payee Only;"

- the cheque was post-dated;

- the applicant's payment is not made correctly or if the applicant pays by cheque or banker's cashier order the cheque or banker's cashier order is dishonored on its first presentation;

- the applicant's name/the first applicant's name on the joint application is not the same as the name pre-printed or certified/endorsed by the drawee bank on the cheque/banker's cashier order;

- any alteration(s) to the application details on the **BLUE** Application Form has or have not been authorized by the signature(s) of the applicant(s);

- the application is completed by pencil;

- the applicant does not fill in all the boxes in the option he/she/it chooses;

- the applicant chooses more than one of the options on the **BLUE** Application Form;

- the Company believes that by accepting the application, the Company would violate the applicable securities or other laws, rules or regulations of the jurisdiction where the **BLUE** Application Form is received or where the applicant's address is located; or

- the Company and the Sole Global Coordinator, and their respective agents or nominees, exercise their discretion to reject or accept any application, or to accept only part of any application. No reasons have to be given for any rejection or acceptance.

(b) If you are applying by using the **BLUE** Application Form for Assured Entitlement, you may apply for a number of Reserved Shares pursuant to your Assured Entitlement that is equal to or less than the number stated in Box B. If you intend to apply for a number of Reserved Shares that is less than your Assured Entitlement, you MUST apply for a number which is one of the numbers set out in the table in the **BLUE** Application Form and make a payment of the corresponding amount (other than HKSCC Nominees). You need to complete and sign the **BLUE** Application Form for Assured Entitlement and submit one cheque (or banker's cashier order) for the exact amount of remittance printed in Box B or the corresponding amount payable as set out in the table in the **BLUE** Application Form.

(c) If you are applying by using the **BLUE** Application Form for excess Reserved Shares, you MUST apply for a number which is one of the numbers set out in the table in the **BLUE** Application Form and make a payment of the corresponding amount (other than HKSCC Nominees). You need to complete and sign the **BLUE** Application Form for excess Reserved Shares and submit one separate cheque (or banker's cashier order) for the exact amount of remittance.

(d) If you intend to apply for both Reserved Shares pursuant to your Assured Entitlement and excess Reserved Shares, you must submit both the **BLUE** Application Form for Assured Entitlement and the **BLUE** Application Form for excess Reserved Shares. Each **BLUE** Application Form must be accompanied by a separate cheque (or banker's cashier order) for the exact amount of remittance.

5. When May Application Be Made

(a) Applications on BLUE Application Form(s)

Your completed **BLUE** Application Form, together with a cheque or a banker's cashier order attached and marked payable to BANK OF CHINA (HONG KONG) NOMINEES LIMITED – TIMES NEIGHBORHOOD PREFERENTIAL OFFER for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving banks listed above, at the following times:

Monday, December 9, 2019	**–**	**9:00 a.m. to 5:00 p.m.**
Tuesday, December 10, 2019	**–**	**9:00 a.m. to 5:00 p.m.**
Wednesday, December 11, 2019	**–**	**9:00 a.m. to 5:00 p.m.**
Thursday, December 12, 2019	**–**	**9:00 a.m. to 12:00 noon**

Completed **BLUE** Application Forms, together with a payment attached, must be lodged by 12 noon on Thursday, December 12, 2019, the last day for applications, or such later time as described in "—D. Effect of bad weather on the opening of the application lists" below.

(b) Application Lists

The application lists will be open from 11:45 a.m. to 12:00 noon on Thursday, December 12, 2019, the last day for applications, or such later time as described in "—D. Effect of bad weather and /or extreme conditions on the opening of the application lists" below.

No proceedings will be taken on applications for Reserved Shares and no allotment of any such Reserved Shares will be made until after the closing of the application lists.

6. How Many Applications may be Made

You should refer to "—A. Applications for Hong Kong Public Offer Shares—8. How many applications can you make" above for the situations where you may make an application for Hong Kong Public Offer Shares under the Hong Kong Public Offering in addition to application(s) for Reserved Shares under the Preferential Offering.

7. Additional Terms and Conditions and Instructions

You should refer to the **BLUE** Application Form for details of the additional terms and conditions and instructions which apply to applications for Reserved Shares.

C. HOW MUCH ARE THE HONG KONG PUBLIC OFFER SHARES AND THE RESERVED SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **White Form eIPO service** in respect of a minimum of 1,000 Hong Kong Public Offer Shares. Each application or electronic application instruction in respect of more than 1,000 Hong Kong Public Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at **www.eipo.com.hk**.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see "Structure and Conditions of the Global Offering—Price determination of the Global Offering".

D. EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is/are:

- a tropical cyclone warming signal number 8 or above;
- a "black" rainstorm warning; or
- "extreme conditions" caused by a super typhoon,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, December 12, 2019. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Thursday, December 12, 2019 or if there is a tropical cyclone warning signal number 8 or above or "extreme conditions" caused by a super typhoon or a "black" rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in "Expected timetable", an announcement will be made in such event.

E. PUBLICATION OF RESULTS

The Company expects to announce the final Offer Price, the level of indication of interest in the International Placing, the level of applications in the Hong Kong Public Offering and the Preferential Offering and the basis of allocation of the Hong Kong Public Offer Shares and the Reserved Shares on Wednesday, December 18, 2019 on the Company's website at **www.shidaiwuye.com** and the website of the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering and the Preferential Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on the Company's website at **www.shidaiwuye.com** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 9:00 a.m. on Wednesday, December 18, 2019;

- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: English **https://www.eipo.com.hk/en/Allotment**; Chinese **https://www.eipo.com.hk/zh-hk/Allotment**) with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Wednesday, December 18, 2019 to 12:00 midnight on Tuesday, December 24, 2019;

- by telephone enquiry line by calling (852) 28628669 between 9:00 a.m. and 10:00 p.m. from Wednesday, December 18, 2019 to Saturday, December 21, 2019;

- in the special allocation results booklets which will be available for inspection during opening hours from Wednesday, December 18, 2019 to Friday, December 20, 2019 at all the receiving bank's designated branches.

If the Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Public Offer Shares and the Reserved Shares, if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in "Structure and Conditions of the Global Offering".

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

F. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES AND/OR RESERVED SHARES

You should note the following situations in which the Hong Kong Public Offer Shares and/or the Reserved Shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving electronic application instructions to HKSCC or to **White Form eIPO** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with the Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (WUMP) Ordinance (as applied by Section 342E of the Companies (WUMP) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If the Company or its agents exercise their discretion to reject your application:

The Company, the Sole Global Coordinator, the **White Form eIPO** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Hong Kong Public Offer Shares and/or Reserved Shares is void:

The allotment of Hong Kong Public Offer Shares and/or Reserved Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies the Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications (other than an application (if any) made on the **BLUE** Application Form in your capacity as a Qualifying Times China Shareholder);
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Public Offer Shares and International Placing Shares (except in respect of Reserved Shares applied for pursuant to the Preferential Offering);
- your Application Form is not completed in accordance with the stated instructions;
- your electronic application instructions through the **White Form eIPO service** are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonored upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- the Company or the Sole Global Coordinator believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Hong Kong Public Offer Shares initially offered under the Hong Kong Public Offering.

G. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum offer price of HK$5.80 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with "Structure and Conditions of the Global Offering—Conditions of the Hong Kong Public Offering" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on or before Wednesday, December 18, 2019.

H. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Hong Kong Public Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made on **YELLOW** Application Forms or by electronic application instructions to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below) and one share certificate for all Reserved Shares alloted to you under the Preferential Offering.

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE**, **YELLOW** or **BLUE** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Hong Kong Public Offer Shares and/or Reserved Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and

- refund cheque(s) crossed "Account Payee Only" in favor of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Public Offer Shares and/or Reserved Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or before Wednesday, December 18, 2019. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. on Thursday, December 19, 2019 provided that the Global Offering has become unconditional and the right of termination described in the "Underwriting" section in this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

Personal Collection

(i) If you apply using a WHITE or BLUE Application Form

If you apply for (i) 1,000,000 or more Hong Kong Public Offer Shares or (ii) 1,000,000 or more Reserved Shares, and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. and 1:00 p.m. on Wednesday, December 18, 2019 or such other date as notified by us.

If you are an individual who is eligible for personal collection, you must not authorize any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than (i) 1,000,000 Hong Kong Public Offer Shares, or (ii) 1,000,000 Reserved Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on or before Wednesday, December 18, 2019, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Hong Kong Public Offer Shares or more, please follow the same instructions as described above for collecting refund cheque(s). If you have applied for less than 1,000,000 Hong Kong Public Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on or before Wednesday, December 18, 2019, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Wednesday, December 18, 2019, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS participant (other than a CCASS investor participant)*

For Hong Kong Public Offering shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Hong Kong Public Offering shares allotted to you with that CCASS participant.

- *If you are applying as a CCASS investor participant*

The Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in the manner described in "E. Publication of Results" above. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Wednesday, December 18, 2019 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply through the White Form eIPO service

If you apply for 1,000,000 Hong Kong Public Offer Shares or more, and your application is wholly or partially successful, you may collect your Share certificate(s) from Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Wednesday, December 18, 2019, or such other date as notified by the Company as the date of despatch/collection of Share certificates/e-Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Public Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Wednesday, December 18, 2019 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via Electronic Application Instructions to HKSCC

Allocation of Hong Kong Public Offer Shares

For the purposes of allocating Hong Kong Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives electronic application instructions or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Wednesday, December 18, 2019, or, on any other date determined by HKSCC or HKSCC Nominees.

- The Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, the Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in "E. Publication of Results" above on Wednesday, December 18, 2019. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. Wednesday, December 18, 2019 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give electronic application instructions on your behalf, you can also check the number of Hong Kong Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.

- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Wednesday, December 18, 2019. Immediately following the credit of the Hong Kong Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Wednesday, December 18, 2019.

I. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report on Times Neighborhood Holdings Limited, prepared for the purpose of incorporation in this prospectus received from the reporting accountants of our Company, Ernst & Young, Certified Public Accountants, Hong Kong.

22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

The Directors
Times Neighborhood Holdings Limited
Haitong International Capital Limited

Dear Sirs,

We report on the historical financial information of Times Neighborhood Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-72, which comprises the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for each of the years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2019 (the "Relevant Periods"), and the combined statements of financial position of the Group as at 31 December 2016, 2017 and 2018 and 30 June 2019, and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-72 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 9 December 2019 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group as at 31 December 2016, 2017 and 2018 and 30 June 2019 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

REVIEW OF INTERIM COMPARATIVE FINANCIAL INFORMATION

We have reviewed the interim comparative financial information of the Group which comprises the combined statement of profit or loss and other comprehensive income, combined statement of changes in equity and combined statement of cash flows for the six months ended 30 June 2018 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid or declared by the Company in respect of the Relevant Periods.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong
9 December 2019

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2016 RMB'000	2017 RMB'000	2018 RMB'000	Six months ended 30 June 2018 RMB'000 (Unaudited)	2019 RMB'000
REVENUE	5	372,875	518,995	695,752	307,610	455,719
Cost of sales	7	(286,354)	(389,484)	(505,254)	(223,805)	(333,165)
Gross profit		86,521	129,511	190,498	83,805	122,554
Other income and gains	6	898	2,745	2,055	999	2,305
Selling and marketing costs		(6,352)	(7,416)	(8,466)	(3,315)	(4,655)
Administrative expenses		(42,000)	(70,106)	(89,717)	(38,252)	(48,194)
Impairment losses on financial assets	7	(2,350)	(2,697)	(1,714)	(3,090)	(2,992)
Other expenses		(3,415)	(2,655)	(4,901)	(2,278)	(7,446)
Finance costs, net	8	(3,828)	(4,836)	(4,606)	(2,277)	(6,006)
Finance expense		(3,828)	(4,836)	(78,176)	(16,455)	(62,075)
Finance income		–	–	73,570	14,178	56,069
Share of profit of an associate	18	785	2,317	3,437	1,468	1,242
PROFIT BEFORE TAX	7	30,259	46,863	86,586	37,060	56,808
Income tax expense	11	(10,194)	(12,688)	(22,422)	(9,292)	(14,963)
PROFIT FOR THE YEAR/PERIOD		20,065	34,175	64,164	27,768	41,845
Attributable to:						
Owners of the Company		19,992	33,797	63,524	27,679	42,214
Non-controlling interests		73	378	640	89	(369)
		20,065	34,175	64,164	27,768	41,845
OTHER COMPREHENSIVE (LOSS)/INCOME						
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:						
Exchange differences on translation of foreign operations		(481)	491	(357)	(90)	(4)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD		(481)	491	(357)	(90)	(4)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		19,584	34,666	63,807	27,678	41,841
Attributable to:						
Owners of the Company		19,511	34,288	63,167	27,589	42,210
Non-controlling interests		73	378	640	89	(369)
		19,584	34,666	63,807	27,678	41,841
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY						
Basic and diluted		N/A	N/A	N/A	N/A	N/A

COMBINED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2016 RMB'000	2017 RMB'000	2018 RMB'000	As at 30 June 2019 RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	14	9,624	29,932	28,005	27,972
Right-of-use assets	15	6,690	7,120	4,106	6,207
Goodwill	16	47,230	47,230	47,230	68,841
Other intangible assets	17	12,573	20,615	18,873	24,199
Investment in an associate	18	61,375	63,692	67,129	68,371
Deferred tax assets	19	8,431	10,472	12,691	18,873
Prepayments, deposits and other receivables	23	7,530	–	–	6,565
Total non-current assets		153,453	179,061	178,034	221,028
CURRENT ASSETS					
Inventories	20	2,521	2,082	1,512	2,434
Trade receivables	21	124,260	139,760	212,149	234,065
Contract assets	22	6,204	13,202	20,974	18,396
Prepayments, deposits and other receivables	23	72,048	447,035	2,050,710	1,598,597
Amount due from an associate	33	456	476	482	–
Restricted bank deposits	24	20,912	8,208	200	2,690
Cash and cash equivalents	24	96,885	86,499	1,182,349	304,396
Total current assets		323,286	697,262	3,468,376	2,160,578
CURRENT LIABILITIES					
Trade payables	25	52,701	68,830	112,306	106,957
Lease liabilities	15	2,312	3,113	2,463	5,757
Other payables and accruals	26	334,544	685,890	1,740,962	359,495
Contract liabilities	5	51,364	51,180	49,012	189,546
Other interest-bearing borrowings	27	–	–	152,000	157,000
Amount due to an associate	33	5,082	–	–	–
Tax payable		15,169	16,729	29,187	31,238
Government grants		–	200	200	200
Total current liabilities		461,172	825,942	2,086,130	850,193
NET CURRENT (LIABILITIES)/ASSETS		(137,886)	(128,680)	1,382,246	1,310,385
TOTAL ASSETS LESS CURRENT LIABILITIES		15,567	50,381	1,560,280	1,531,413
NON-CURRENT LIABILITIES					
Lease liabilities	15	4,576	4,364	2,006	10,221
Other interest-bearing borrowings	27	–	–	1,449,000	1,369,000
Government grants		–	750	550	450
Deferred tax liabilities	19	2,018	1,628	1,278	2,455
Total non-current liabilities		6,594	6,742	1,452,834	1,382,126
Net assets		8,973	43,639	107,446	149,287
EQUITY					
Equity attributable to owners of the Company					
Share capital	28	–	–	–	–
Reserves	29	5,763	40,051	103,218	145,428
		5,763	40,051	103,218	145,428
Non-controlling interests		3,210	3,588	4,228	3,859
Total equity		8,973	43,639	107,446	149,287

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company							
	Share capital	Merger reserve*	Statutory surplus funds*	Exchange reserve*	(Accumulated losses) retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 28)	(note 29 (a))	(note 29 (b))					
At 1 January 2016	–	11,000	789	(2)	(18,935)	(7,148)	–	(7,148)
Profit for the year	–	–	–	–	19,992	19,992	73	20,065
Other comprehensive loss for the year	–	–	–	(481)	–	(481)	–	(481)
Total comprehensive (loss)/income for the year	–	–	–	(481)	19,992	19,511	73	19,584
Transfer to statutory surplus funds	–	–	4,216	–	(4,216)	–	–	–
Acquisition of a subsidiary *(note 30)*	–	–	–	–	–	–	3,137	3,137
Acquisition of a subsidiary under common control	–	(6,600)	–	–	–	(6,600)	–	(6,600)
At 31 December 2016 and 1 January 2017	–	4,400	5,005	(483)	(3,159)	5,763	3,210	8,973
Profit for the year	–	–	–	–	33,797	33,797	378	34,175
Other comprehensive income for the year	–	–	–	491	–	491	–	491
Total comprehensive income for the year	–	–	–	491	33,797	34,288	378	34,666
Transfer to statutory surplus funds	–	–	4,437	–	(4,437)	–	–	–
At 31 December 2017 and 1 January 2018	–	4,400	9,442	8	26,201	40,051	3,588	43,639
Profit for the year	–	–	–	–	63,524	63,524	640	64,164
Other comprehensive loss for the year	–	–	–	(357)	–	(357)	–	(357)
Total comprehensive (loss)/income for the year	–	–	–	(357)	63,524	63,167	640	63,807
Transfer to statutory surplus funds	–	–	7,426	–	(7,426)	–	–	–
At 31 December 2018 and 1 January 2019	–	4,400	16,868	(349)	82,299	103,218	4,228	107,446
At 31 December 2018 and 1 January 2019	–	4,400	16,868	(349)	82,299	103,218	4,228	107,446
Profit/(loss) for the period	–	–	–	–	42,214	42,214	(369)	41,845
Other comprehensive loss for the period	–	–	–	(4)	–	(4)	–	(4)
Total comprehensive (loss)/income for the period	–	–	–	(4)	42,214	42,210	(369)	41,841
Transfer to statutory surplus funds	–	–	5,093	–	(5,093)	–	–	–
At 30 June 2019	–	4,400	21,961	(353)	119,420	145,428	3,859	149,287
At 31 December 2017 and 1 January 2018	–	4,400	9,442	8	26,201	40,051	3,588	43,639
Profit for the period	–	–	–	–	27,679	27,679	89	27,768
Other comprehensive loss for the period	–	–	–	(90)	–	(90)	–	(90)
Total comprehensive (loss)/income for the period	–	–	–	(90)	27,679	27,589	89	27,678
Transfer to statutory surplus funds	–	–	3,231	–	(3,231)	–	–	–
At 30 June 2018 (unaudited)	–	4,400	12,673	(82)	50,649	67,640	3,677	71,317

* These reserve accounts comprise the reserves of RMB5,763,000, RMB40,051,000, RMB103,218,000 and RMB145,428,000 in the combined statements of financial position as at 31 December 2016, 2017 and 2018 and 30 June 2019, respectively

COMBINED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2016 RMB'000	2017 RMB'000	2018 RMB'000	Six months ended 30 June 2018 RMB'000 (Unaudited)	2019 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		30,259	46,863	86,586	37,060	56,808
Adjustments for:						
Finance costs, net	8	3,828	4,836	4,606	2,277	6,006
Share of profit of an associate		(785)	(2,317)	(3,437)	(1,468)	(1,242)
Bank interest income	6	(259)	(1,001)	(722)	(499)	(514)
Depreciation of property, plant and equipment	7	1,558	5,064	6,478	2,540	3,175
Depreciation of right-of-use assets	7	1,499	2,720	3,306	1,658	1,661
Amortisation of other intangible assets	7	1,614	2,815	3,459	1,677	2,058
Impairment losses on financial assets	7	2,350	2,697	1,714	3,090	2,992
Loss on disposal of items of property, plant and equipment		1	–	409	266	2
Gain on disposal of financial assets at fair value through profit or loss	6	–	(423)	(506)	(138)	(1,263)
Government grants released to profit or loss	6	–	(1,162)	(406)	(300)	(100)
		40,065	60,092	101,487	46,163	69,583
(Increase)/decrease in inventories		(1,777)	439	570	531	(922)
(Increase)/decrease in trade receivables		(82,087)	(18,197)	(74,103)	(59,158)	4,949
(Increase)/decrease in contract assets		–	(6,998)	(7,772)	(2,489)	2,578
(Increase)/decrease in prepayments, deposits and other receivables		(46,401)	(373,290)	(2,582)	(18,718)	393,253
(Increase)/decrease in amount due from an associate		(38)	(20)	(6)	(4)	482
Increase/(decrease) in trade payables		14,246	16,129	43,476	417	(6,998)
Increase/(decrease) in other payables and accruals		67,196	348,132	1,063,992	44,119	(1,421,885)
Increase/(decrease) in contract liabilities		15,217	(4,237)	(5,825)	(12,403)	128,524
Increase in government grants		–	2,112	206	200	–
(Increase)/decrease in restricted bank deposits		(2,512)	12,704	8,008	8,008	539
Cash generated from/(used in) operations		3,909	36,866	1,127,451	6,666	(829,897)
Income tax paid		(8,292)	(13,559)	(12,626)	(9,469)	(17,537)
Net cash flows (used in)/from operating activities		(4,383)	23,307	1,114,825	(2,803)	(847,434)

	Year ended 31 December			Six months ended 30 June	
	2016	2017	2018	2018	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of items of property, plant and equipment	(9,680)	(9,788)	(8,114)	(3,577)	(3,891)
Purchase/development of other intangible assets	(5,861)	(6,755)	(1,717)	(1,040)	(1,695)
Purchase of financial assets at fair value through profit or loss	–	(56,300)	(292,150)	(63,700)	(275,800)
Interest received	259	1,001	74,292	14,677	56,583
Loan granted to a related party	–	–	(1,675,000)	(1,675,000)	–
Repayment of a loan granted to a related party	–	–	74,000	–	75,000
Disposal of financial assets at fair value through profit or loss	–	56,723	292,656	63,838	289,063
Net outflow of cash and cash equivalents in respect of the acquisitions of subsidiaries	(40,362)	(15,135)	(6,523)	(1,856)	(31,118)
Principal portion of lease receivables from a sublease	–	–	–	–	774
Net cash flows (used in)/from investing activities	(55,644)	(30,254)	(1,542,556)	(1,666,658)	108,916
CASH FLOWS FROM FINANCING ACTIVITIES					
Advances from related parties	5,000	5,000	–	–	–
Repayment of loans from related parties	–	(5,000)	–	–	(5,000)
Other interest-bearing borrowings raised	–	–	1,675,000	1,675,000	–
Repayment of other interest-bearing borrowings	–	–	(74,000)	–	(75,000)
Interest paid	(446)	(878)	(74,119)	(14,487)	(57,093)
Principal portion of lease payments	(1,325)	(2,561)	(3,300)	(1,624)	(2,342)
Net cash flows from/(used in) financing activities	3,229	(3,439)	1,523,581	1,658,889	(139,435)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(56,798)	(10,386)	1,095,850	(10,572)	(877,953)
Cash and cash equivalents at beginning of year/period	153,683	96,885	86,499	86,499	1,182,349
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	96,885	86,499	1,182,349	75,927	304,396
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and bank balances	117,797	94,707	1,182,549	76,127	307,086
Less: Restricted bank deposits	(20,912)	(8,208)	(200)	(200)	(2,690)
CASH AND CASH EQUIVALENTS AS STATED IN THE COMBINED STATEMENTS OF FINANCIAL POSITION AND STATEMENTS OF CASH FLOWS	96,885	86,499	1,182,349	75,927	304,396

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 12 July 2019. The registered office address of the Company is 71 Fort Street, PO Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands.

The Company is an investment holding company. During the Relevant Periods, the Company's subsidiaries were involved in the provision of property management and other relevant services (the "Listing Business") in the People's Republic of China (the "PRC"). In the opinion of the Company's directors, the immediate holding company of the Company is Wisdom Sharp Investments Limited. The controlling shareholder of the Group is Times China Holdings Limited (the "Ultimate Holding Company").

The Company and its subsidiaries now comprising the Group underwent the Reorganisation as set out in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus. Apart from the Reorganisation, the Company has not commenced any business or operation since its incorporation.

At the completion date of the Reorganisation on 2 August 2019, the Company had direct or indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of the Company's principal subsidiaries are set out below:

Name	*Notes*	Place of incorporation and operation/ date of incorporation	Issued ordinary/ registered capital	Percentage of equity interests attributable to the Company# at 31 December 2016	2017	2018	at 30 June 2019	at 2 August 2019	Principal activities
Power Voice Limited	*(1)*	BVI/ 3 December 2014	USD1	100	100	100	100	100	Investment holding
Peace Power Limited	*(2)*	Hong Kong/ 5 December 2014	HKD1	100	100	100	100	100	Investment holding
廣州市時代物業管理有限公司 Guangzhou Times Property Management Co., Ltd. ("Guangzhou Times Property Management")	*(3)*	PRC/Mainland China/ 18 December 1998	RMB500,000,000	100	100	100	100	100	Property management
廣州市時代鄰里企業管理有限公司 Guangzhou Times Neighborhood Corporate Governance Co., Ltd. ("Guangzhou Times Neighborhood")	*(4)*	PRC/Mainland China/ 31 August 2009	RMB11,000,000	100	100	100	100	100	Investment holding
佛山市順德區合泰物業管理有限公司 Foshan Shunde Hetai Property Management Co., Ltd. ("Foshan Hetai")	*(4)*	PRC/Mainland China/ 29 July 2002	RMB1,000,000	100	100	100	100	100	Property management
廣州萬寧物業管理有限公司 Guangzhou Wanning Property Management Co., Ltd. ("Guangzhou Wanning")	*(4)*	PRC/Mainland China/ 28 February 1995	RMB9,000,000	100	100	100	100	100	Property management
東莞市萬寧物業管理有限公司 Dongguan Wanning Property Management Co., Ltd. ("Dongguan Wanning")	*(4)*	PRC/Mainland China/ 13 November 2008	RMB1,000,000	100	100	100	100	100	Property management

Name	Notes	Place of incorporation and operation/ date of incorporation	Issued ordinary/ registered capital	Percentage of equity interests attributable to the Company# at 31 December 2016	2017	2018	at 30 June 2019	at 2 August 2019	Principal activities
珠海市原興物業管理有限公司 Zhuhai Yuanxing Property Management Co., Ltd. ("Zhuhai Yuanxing")	*(4)*	PRC/Mainland China/ 6 June 2001	RMB500,000	100	100	100	100	100	Property management
清遠盛業物業服務有限公司 Qingyuan Shengye Property Services Co., Ltd. ("Qingyuan Shengye")	*(5)*	PRC/Mainland China/ 22 May 2008	RMB3,200,000	–	100	100	100	100	Property management
清遠市榮泰物業管理有限公司 Qingyuan Rongtai Property Management Co., Ltd. ("Qingyuan Rongtai")	*(6)*	PRC/Mainland China/ 16 January 2008	RMB5,000,000	–	–	–	100	100	Property management
廣州東康物業服務有限公司 Guangzhou Dongkang Property Services Co., Ltd. ("Guangzhou Dongkang")	*(6)*	PRC/Mainland China/ 3 June 2004	RMB100,000,000	–	–	–	100	100	Property management and municipal sanitation services
廣東駿安電梯有限公司 Joan Elevator (GuangDong) Co., Ltd. ("Joan Elevator")	*(7)*	PRC/Mainland China/ 19 December 1996	RMB10,000,000	70	70	70	70	70	Elevator installation, sale and maintenance
廣州市時代鄰里電梯工程有限公司 Guangzhou Times Neighborhood Elevator Engineering Co., Ltd. ("Guangzhou Times Neighborhood Elevator")	*(4)*	PRC/Mainland China/ 25 May 2016	RMB10,000,000	100	100	100	100	–*	Elevator installation, sale and maintenance
廣州市鄰里智能化工程有限公司 Guangzhou Neighborhood Intelligent Engineering Co., Ltd. ("Guangzhou Neighborhood Intelligent")	*(4)*	PRC/Mainland China/ 22 December 2015	RMB100,000,000	100	100	100	100	100	Construction and installation
廣州市時代鄰里邦網絡科技有限公司 Guangzhou Times Linlibang Network Technology Co., Ltd. ("Guangzhou Times Linlibang")	*(4)*	PRC/Mainland China/ 2 September 2014	RMB10,000,000	100	100	100	100	100	Information technology service
廣州市和美私廚餐飲有限公司 Guangzhou Hemei Sichu Catering Co., Ltd. ("Guangzhou Hemei Sichu")	*(8)*	PRC/Mainland China/ 12 June 2017	RMB1,000,000	–	100	100	100	–*	Catering
廣州市融啟融資租賃有限公司 Guangzhou Rongqi Financial Leasing Co., Ltd. ("Guangzhou Rongqi")	*(9)*	PRC/Mainland China/ 23 September 2015	USD35,000,000	75	75	75	75	–*	Finance leasing
廣州市時代鄰里資本管理有限公司 Guangzhou Times Neighborhood Capital Management Co., Ltd. ("Guangzhou Times Neighborhood Capital Management")	*(10)*	PRC/Mainland China/ 29 November 2017	RMB10,000,000	–	100	100	100	–*	Property management

Except for Power Voice Limited, which is directly held by the Company, all the other companies are indirectly held by the Company.

* Guangzhou Times Neighborhood Elevator, Guangzhou Hemei Sichu, Guangzhou Rongqi and Guangzhou Times Neighborhood Capital Management have been deregistered on 12 July 2019, 30 July 2019, 21 August 2019 and 16 July 2019, respectively.

The English names of all group companies registered in the PRC represent the best efforts made by the directors of the Company to translate the Chinese names of these companies as they do not have official English names.

(1) No audited financial statements have been prepared and issued for the entity as the entity is not subject to any statutory audit requirement under the relevant rules and regulations in its jurisdiction of incorporation or establishment.

(2) The statutory financial statements of the entity for the years ended 31 December 2016, 2017 and 2018 prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") have been audited by CCP C.P.A. Limited.

(3) The statutory financial statements of the entity for the years ended 31 December 2016, 2017 and 2018 prepared in accordance with PRC accounting principles and regulations have been audited by Guangzhou Huatuo Accounting Firm Co., Ltd. (廣州華拓會計師事務所有限公司).

(4) The statutory financial statements of these entities for the years ended 31 December 2016, 2017 and 2018 prepared in accordance with PRC accounting principles and regulations have been audited by Guangzhou Chengyang Accounting Firm Co., Ltd. (廣州市成揚會計師事務所有限公司).

(5) The entity was acquired in 2017. The entity has not appointed an auditor to issue statutory financial statements for the year ended 31 December 2016. The statutory financial statements for years ended 31 December 2017 and 2018 prepared in accordance with PRC accounting principles and regulations have been audited by Guangzhou Chengyang Accounting Firm Co., Ltd. (廣州市成揚會計師事務所有限公司).

(6) These entities were acquired in 2019.

(7) The entity was acquired in 2016. The statutory financial statements for the year ended 31 December 2016 prepared in accordance with PRC accounting principles and regulations have been audited by Donguang Yonghe Accounting Firm Co., Ltd. (東莞市永和會計師事務所有限公司). The statutory financial statements for the years ended 31 December 2017 and 2018 prepared in accordance with PRC accounting principles and regulations have been audited by Guangzhou Chengyang Accounting Firm Co., Ltd. (廣州市成揚會計師事務所有限公司).

(8) The entity was established in 2017. The entity has not appointed an auditor to issue statutory financial statements for the period from its date of establishment to 31 December 2017. The statutory financial statements for the year ended 31 December 2018 prepared in accordance with PRC accounting principles and regulations have been audited by Guangzhou Chengyang Accounting Firm Co., Ltd. (廣州市成揚會計師事務所有限公司).

(9) The statutory financial statements of the entity for the year ended 31 December 2016 prepared in accordance with PRC accounting principles and regulations have been audited by BDO Certified Public Accountants LLP Guangdong Branch (立信會計師事務所(特殊普通合夥)廣東分所). The statutory financial statements for the year ended 31 December 2017 prepared in accordance with PRC accounting principles and regulations have been audited by Guangzhou Kete Certified Public Accountants GP (廣州市科特會計師事務所(普通合夥)). The statutory financial statements for the year ended 31 December 2018 prepared in accordance with PRC accounting principles and regulations have been audited by Guangzhou Hongjian Accounting Firm Co., Ltd. (廣州市宏建會計師事務所有限公司).

(10) The entity was established in 2017. The entity has not appointed an auditor to issue statutory financial statements for the period from the date of establishment to 31 December 2017 and the year ended 31 December 2018.

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganisation as more fully explained in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus, the Company became the holding company of the companies now comprising the Group subsequent to the end of the Relevant Periods on 2 August 2019. The companies now comprising the Group were under the common control of the Ultimate Holding Company before and after the Reorganisation. Accordingly, for the purpose of this report, the Historical Financial Information has been prepared on a combined basis by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the Relevant Periods.

The combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the Relevant Periods and the six months ended 30 June 2018 include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries first came under the common control of the Ultimate Holding Company, where this is a shorter period. The combined statements of financial position of the Group as at 31 December 2016, 2017 and 2018 and 30 June 2019 have been prepared to present the assets and liabilities of the subsidiaries using the existing book values from the Ultimate Holding Company's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

Equity interests in subsidiaries held by parties other than the Ultimate Holding Company, and changes therein, prior to the Reorganisation are presented as non-controlling interests in equity in applying the principles of merger accounting.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group transactions and balances have been eliminated on combination.

2.2 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"). All IFRSs effective for the accounting period commencing from 1 January 2019, including IFRS 9 *Financial Instruments*, IFRS 15 *Revenue from Contracts with Customers* and related amendments to IFRS 15 *Classification to IFRS 15 Revenue from Contracts with Customers* and IFRS 16 *Leases*, together with the relevant transitional provision, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to adopt them, if applicable, when they become effective.

Amendments to IFRS 3	*Definition of a Business*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
IFRS 17	*Insurance Contracts*[2]
Amendments to IAS 1 and IAS 8	*Definition of Material*[1]

1 Effective for annual periods beginning on or after 1 January 2020

2 Effective for annual periods beginning on or after 1 January 2021

3 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs may result in changes in accounting policies but are unlikely to have a significant impact on the Group's results of operations and financial position.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are stated at cost less any impairment losses.

Business combinations other than those under common control and goodwill

Business combinations other than those under common control are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquire and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Investment in an associate

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in an associate is stated in the combined statements of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of an associate is included in the combined statements of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes, when applicable, in the combined statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investment in an associate, except where unrealised losses provide evidence of an impairment of the assets transferred.

Fair value measurement

The Group measures its financial assets at fair value through profit or loss at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvement	20%-33%
Motor vehicles	19%
Office equipment	9.5%-19%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year/period end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year/period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year/period end.

Software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 5 to 10 years.

Property management contracts acquired in business combinations are recognised at fair value at the acquisition date. The property management contracts have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected useful lives of the contracts of 2 to 20 years.

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criterial is expensed when incurred.

Development cost is stated at cost less any accumulated impairment losses. Development cost not yet available for use is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Development cost is reclassified to software when available for use.

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease, at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Subleases

A sublease is a transaction for which an underlying asset is re-leased by a lessee ('intermediate lessor') to a third party, and the lease ('head lease') between the head lessor and lessee remains in effect. The Group classifies the sublease as a finance lease or an operating lease as follows:

(a) if the head lease is a short-term lease and the entity, as a lessee, has applied the short-term recognition exemption, the sublease is classified as an operating lease.

(b) otherwise, the sublease is classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset (for example, the item of property, plant, or equipment that is the subject of the lease).

When the Group enters into the sublease which is classified as a finance lease, the Group:

(a) derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease;

(b) recognises any difference between the right-of-use asset and the net investment in the sublease in profit or loss; and

(c) retains the lease liability relating to the head lease in its statement of financial position, which represents the lease payments owed to the head lessor.

During the term of the sublease, the Group recognises both finance income on the sublease and interest expense on the head lease.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's combined statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, leases liabilities, amount due to an associate and other interest-bearing borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification.

Loans and borrowings

After initial recognition, other interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the combined statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the combined statements of financial position, cash and cash equivalents comprise cash on hand and at banks which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liabilities arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

The Group provides property management services, value-added services to non-property owners, community value-added services and professional services. Revenue from contracts with customers is recognised when services are rendered to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange of those services.

If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

Property management services

For property management services, the Group bills a fixed amount for services provided on a monthly or quarterly basis and recognises as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

For property management services income from properties managed under lump sum basis, where the Group acts as principal and is primarily responsible for providing the property management services to the property owners, the Group recognises the fee received or receivable from property owners as its revenue and all related property management costs as its cost of services.

Value-added services to non-property owners

Value-added services to non-property owners mainly include construction site services, sales assistance services and pre-delivery cleaning services. The Group agrees the price for each service with the customers upfront and issues the monthly bill to the customers which varies based on the actual level of service completed in that month.

Community value-added services

Community value-added services mainly include daily value-added services provided to property owners and residents and sales of goods. Revenue from daily services is recognised when the services are rendered and revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customer. Payment of the transaction is due immediately when the community value-added services are rendered to the customer.

Professional services

Professional services mainly include installation, sale and maintenance of elevators, intelligent engineering and municipal sanitation. Revenue from sales commission, sale of elevators and elevator parts is recognised at the point in time when control of the asset is transferred to the end customer and revenue from other professional services is recognised when the services are rendered. The Group agrees the price for each service with the customers upfront and issues the bills to the customers which varies based on the actual level of service completed in that month.

Revenue from other sources

Interest income

Interest income is recognised, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument of the net carrying amount of the financial asset.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Employee retirement benefits

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial information of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the financial periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currency of certain overseas subsidiaries is HKD. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their profit or loss are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are included in note 19 to the Historical Financial Information.

Estimation uncertainty

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2016, 2017 and 2018 and 30 June 2019 was RMB47,230,000, RMB47,230,000, RMB47,230,000 and RMB68,841,000, respectively. Further details are given in note 16.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the net carrying amounts may not be recoverable.

An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and service type).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 21 to the Historical Financial Information.

Useful lives of software and property management contracts

The estimate of useful lives of software is based on the purchase contract indicating the Group can use the software in 10 years, or in the case where no validity period is stipulated in purchase contract, the historical experience of the actual useful lives of software of similar nature and functions which is 5 years.

The estimate of useful lives of property management contracts is based on the validity period of property management contracts from 2 years to 8 years or, in the case where no validity period is stipulated in property management contract, the historical experience of the period of 20 years for which the Group was engaged to provide similar services. Estimate based on historical experience is updated as necessary as a result that more relevant historical experience is obtained.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the property management business. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

Information about major customers

For the years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2019, revenue from Times China Holdings Limited and its subsidiaries (the "Times Fellow Subsidiaries") contributed 32.3%, 23.4%, 31.1% and 26.8% of the Group's revenue, respectively. Other than the revenue from Times Fellow Subsidiaries, no revenue derived from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for each of the Relevant Periods.

5. REVENUE

Revenue mainly comprises proceeds from property management services, value-added services to non-property owners, community value-added services and professional services during the Relevant Periods.

An analysis of revenue by category is as follows:

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue from contracts with customers recognised over time:					
Property management services	221,821	330,533	404,071	194,585	295,828
Value-added services to non-property owners	104,190	100,379	196,689	70,316	116,985
Community value-added services	37,993	61,158	58,166	27,035	31,158
Professional services	4,222	24,522	34,531	14,484	10,599
	368,226	516,592	693,457	306,420	454,570
Revenue from contracts with customers recognised at a point in time:					
Others	4,649	2,403	2,295	1,190	1,149
	372,875	518,995	695,752	307,610	455,719

Assets recognised from incremental costs to obtain a contract

During the Relevant Periods, there were no significant incremental costs to obtain a contract.

Contract liabilities

The Group recognised the following revenue-related contract liabilities:

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities:				
– Third parties	51,364	51,180	49,012	184,281
– Related parties	–	–	–	5,265
	51,364	51,180	49,012	189,546

Contract liabilities of the Group mainly arise from the advance payments received from customers while the underlying services are yet to be provided.

The following table shows the revenue recognised during the Relevant Periods and the six months ended 30 June 2018 related to carried-forward contract liabilities:

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue recognised that was included in the contract liability balance at the beginning of the year/period	4,351	13,350	24,934	17,805	20,498

For property management services and value-added services to non-property owners, the Group recognises revenue in the amount that equals the right to invoice which corresponds directly with the value to the customer of the Group's performance to date on a monthly or quarterly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts. The majority of the property management services do not have a fixed term. The term of the contracts for value-added services to non-property owners and professional services is generally set to expire when the counterparties notify the Group that the services are no longer required.

For community value-added services, they are rendered in a short period of time which is generally less than a year and there is no satisfied performance obligation at the end of the respective periods.

6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	Year ended 31 December			Six months ended 30 June	
	2016	2017	2018	2018	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Bank interest income	259	1,001	722	499	514
Gain on disposal of financial assets at fair value through profit or loss	–	423	506	138	1,263
Government grants	–	1,162	406	300	100
Exchange gains	468	–	308	41	26
Others	171	159	113	21	402
	898	2,745	2,055	999	2,305

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Year ended 31 December			Six months ended 30 June	
	2016	2017	2018	2018	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Cost of services provided*	283,066	387,831	503,574	222,931	332,590
Cost of inventories sold	3,288	1,653	1,680	874	575
Depreciation of property, plant and equipment	1,558	5,064	6,478	2,540	3,175
Depreciation of right-of-use assets	1,499	2,720	3,306	1,658	1,661
Amortisation of other intangible assets	1,614	2,815	3,459	1,677	2,058
Research and development costs:					
Current year expenditure	1,272	1,920	742	133	12
Auditors' remuneration	577	646	675	321	300
Employee benefit expense (excluding directors' remuneration *(note 9)*):					
Wages and salaries	174,821	231,145	302,337	150,724	232,088
Pension scheme contributions	15,849	21,657	29,925	12,779	22,872
Less: Amount capitalised in other intangible assets	(2,653)	(1,843)	(885)	(629)	(1,495)
	188,017	250,959	331,377	162,874	253,465

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Impairment losses on financial assets:					
– Trade receivables	2,350	2,697	1,714	3,090	2,992
Rental expense					
– short-term leases	2,287	2,823	6,693	2,656	4,827
– leases of low-value assets	72	228	263	82	114
	2,359	3,051	6,956	2,738	4,941
Bank interest income	(259)	(1,001)	(722)	(499)	(514)
Government grants	–	(1,162)	(406)	(300)	(100)
Foreign exchange (gains)/losses, net	(468)	427	(308)	(41)	(26)

* Cost of services provided for the year included an aggregate amount of RMB170,790,000, RMB223,014,000, RMB295,108,000, RMB144,166,000 and RMB231,321,000 for each of the years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2018 and 2019 which comprised employee benefit expense, depreciation of property, plant and equipment, amortisation of other intangible assets and rental expense. This amount was also included in the respective expense items disclosed above.

8. FINANCE COSTS, NET

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Finance expense:					
Interest expense on lease liabilities	446	614	549	309	460
Interest expense arising from revenue contracts	3,300	3,821	3,657	1,768	5,601
Other interest expense	82	401	400	200	167
Interest expense of asset-backed securities ("ABS") *(note 27)*	–	–	73,570	14,178	55,847
	3,828	4,836	78,176	16,455	62,075
Finance income:					
Interest income on a finance lease	–	–	–	–	(222)
Interest income from a loan granted to a related party *(note 33)*	–	–	(73,570)	(14,178)	(55,847)
Finance costs, net	3,828	4,836	4,606	2,277	6,006

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The Company did not have any chief executive, executive directors, non-executive directors and independent non-executive directors at any time during the Relevant Periods since the Company was only incorporated subsequent to the end of the Relevant Periods on 12 July 2019.

Subsequent to the end of the Relevant Periods, Ms. Wang Meng, Ms. Xie Rao, Mr. Yao Xusheng and Ms. Zhou Rui were appointed as executive directors of the Company on 26 August 2019, respectively. On the same date, Mr. Bai Xihong and Mr. Li Qiang were appointed as non-executive directors of the Company, respectively, and Ms. Wang Meng was appointed as the chief executive of the Company.

Certain directors received remuneration from the subsidiaries now comprising the Group for their appointment as directors or senior management of these subsidiaries. The remuneration of each of these directors as recorded in the financial statements of the Group's subsidiaries for the Relevant Periods and the six months ended 30 June 2018 is set out below:

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	445	729	952	472	515
Performance-related bonuses	252	357	450	–	–
Pension scheme contributions	13	24	32	16	16
Total	710	1,110	1,434	488	531

(a) Independent non-executive directors

Mr. Lui Shing Ming, Brian, Dr. Wong Kong Tin, James and Dr. Chu Xiaoping were appointed as independent non-executive directors of the Company on 3 December 2019. There was no emolument payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors and non-executive directors

Year ended 31 December 2016

	Salaries, allowances and benefits in kind	**Performance-related bonuses**	**Pension scheme contributions**	**Total remuneration**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:				
Ms. Wang Meng	–	–	–	–
Ms. Xie Rao	–	–	–	–
Mr. Yao Xusheng	445	252	13	710
Ms. Zhou Rui	–	–	–	–
	445	252	13	710
Non-executive directors:				
Mr. Bai Xihong	–	–	–	–
Mr. Li Qiang	–	–	–	–
	–	–	–	–
	445	252	13	710

Year ended 31 December 2017

	Salaries, allowances and benefits in kind *RMB'000*	**Performance-related bonuses** *RMB'000*	**Pension scheme contributions** *RMB'000*	**Total remuneration** *RMB'000*
Executive directors:				
Ms. Wang Meng	–	–	–	–
Ms. Xie Rao	249	83	9	341
Mr. Yao Xusheng	480	274	15	769
Ms. Zhou Rui	–	–	–	–
	729	357	24	1,110
Non-executive directors:				
Mr. Bai Xihong	–	–	–	–
Mr. Li Qiang	–	–	–	–
	–	–	–	–
	729	357	24	1,110

Year ended 31 December 2018

	Salaries, allowances and benefits in kind *RMB'000*	**Performance-related bonuses** *RMB'000*	**Pension scheme contributions** *RMB'000*	**Total remuneration** *RMB'000*
Executive directors:				
Ms. Wang Meng	–	–	–	–
Ms. Xie Rao	446	210	16	672
Mr. Yao Xusheng	506	240	16	762
Ms. Zhou Rui	–	–	–	–
	952	450	32	1,434
Non-executive directors:				
Mr. Bai Xihong	–	–	–	–
Mr. Li Qiang	–	–	–	–
	–	–	–	–
	952	450	32	1,434

Six months ended 30 June 2018 (unaudited)

	Salaries, allowances and benefits in kind *RMB'000*	Performance-related bonuses *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
Executive directors:				
Ms. Wang Meng	–	–	–	–
Ms. Xie Rao	221	–	8	229
Mr. Yao Xusheng	251	–	8	259
Ms. Zhou Rui	–	–	–	–
	472	–	16	488
Non-executive directors:				
Mr. Bai Xihong	–	–	–	–
Mr. Li Qiang	–	–	–	–
	–	–	–	–
	472	–	16	488

Six months ended 30 June 2019

	Salaries, allowances and benefits in kind *RMB'000*	Performance-related bonuses *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
Executive directors:				
Ms. Wang Meng	–	–	–	–
Ms. Xie Rao	245	–	8	253
Mr. Yao Xusheng	270	–	8	278
Ms. Zhou Rui	–	–	–	–
	515	–	16	531
Non-executive directors:				
Mr. Bai Xihong	–	–	–	–
Mr. Li Qiang	–	–	–	–
	–	–	–	–
	515	–	16	531

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2018 and 2019 included one director, two directors, two directors, two directors and two directors respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration for the years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2018 and 2019 of the remaining four, three, three, three and three highest paid employees who are neither a director nor chief executive of the Group, respectively, are as follows:

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	1,387	1,216	1,344	663	719
Performance-related bonuses	622	619	721	–	–
Pension scheme contributions	50	45	47	23	23
Total	2,059	1,880	2,112	686	742

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
Nil to HKD1,000,000	4	3	3	3	3

During the Relevant Periods, no highest paid employees waived or agreed to waive any remuneration and no remuneration was paid by the Group to these senior management personnel as an inducement to join or upon joining the Group or as compensation for loss of office.

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the entities within the Group incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiary incorporated in Hong Kong is not liable for income tax as it did not have any assessable profits arising in Hong Kong during the Relevant Periods.

Subsidiaries of the Group operating in Mainland China are subject to the PRC corporate income tax ("CIT") rate of 25% for the Relevant Periods. Certain subsidiaries of the Group operating in Mainland China are eligible for certain tax concessions. Major tax concessions applicable to those entities are detailed as follows:

Guangzhou Times Linlibang, a wholly-owned subsidiary of the Company, was recognised as a high-technology enterprise in November 2016 and is subject to CIT at a rate of 15% from November 2016 to November 2019. Therefore, Guangzhou Times Linlibang was subject to CIT at a rate of 15% for the years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2019.

Foshan Hetai, a wholly-owned subsidiary of the Company, was recognised as a small and low-profit enterprise and was subject to a preferential income tax rate of 20% for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019.

Qingyuan Shengye, a wholly-owned subsidiary of the Company, was recognised as a small and low-profit enterprise and was subject to a preferential income tax rate of 20% for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019.

Qingyuan Rongtai, a wholly-owned subsidiary of the Company, was recognised as a small and low-profit enterprise and was subject to a preferential income tax rate of 20% for the six months ended 30 June 2019.

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Current income tax	13,510	15,119	24,991	10,908	18,250
Deferred income tax *(note 19)*	(3,316)	(2,431)	(2,569)	(1,616)	(3,287)
Total tax charged for the year/period	10,194	12,688	22,422	9,292	14,963

A reconciliation of income tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and most of its subsidiaries are domiciled to the income tax expense at the effective income tax rate for each of the Relevant Periods is as follows:

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Profit before tax	30,259	46,863	86,586	37,060	56,808
At the statutory income tax rate	7,565	11,716	21,647	9,265	14,202
Effect of different tax levies enacted by local authorities*	553	(261)	(375)	(121)	(107)
Tax incentive on eligible expenses	(110)	(172)	(216)	(74)	(80)
Expenses not deductible for tax	2,171	1,798	2,003	789	1,257
Tax losses not recognised	211	186	385	40	2
Tax losses utilised from previous periods	–	–	(163)	(240)	–
Profit attributable to an associate	(196)	(579)	(859)	(367)	(311)
Tax charge at the Group's effective rate	10,194	12,688	22,422	9,292	14,963

* The amount includes the effect of lower tax levies under assessment and deem method of certain subsidiaries enacted by local authorities.

12. DIVIDENDS

No dividends have been paid or declared by the Company since its date of incorporation.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the basis of presentation of the results of the Group for the Relevant Periods and the six months ended 30 June 2018 as disclosed in note 2.1 to the Historical Financial Information.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement *RMB'000*	Motor vehicles *RMB'000*	Office equipment *RMB'000*	Total *RMB'000*
31 December 2016				
At 1 January 2016:				
Cost	2,267	1,086	7,378	10,731
Accumulated depreciation	(804)	(245)	(3,836)	(4,885)
Net carrying amount	1,463	841	3,542	5,846
At 1 January 2016, net of accumulated depreciation	1,463	841	3,542	5,846
Additions	2,153	675	2,413	5,241
Acquisitions of subsidiaries *(note 30)*	–	–	96	96
Disposals	–	–	(1)	(1)
Depreciation provided during the year	(525)	(110)	(923)	(1,558)
At 31 December 2016, net of accumulated depreciation	3,091	1,406	5,127	9,624
At 31 December 2016:				
Cost	4,420	1,761	9,917	16,098
Accumulated depreciation	(1,329)	(355)	(4,790)	(6,474)
Net carrying amount	3,091	1,406	5,127	9,624
31 December 2017				
At 1 January 2017:				
Cost	4,420	1,761	9,917	16,098
Accumulated depreciation	(1,329)	(355)	(4,790)	(6,474)
Net carrying amount	3,091	1,406	5,127	9,624
At 1 January 2017, net of accumulated depreciation	3,091	1,406	5,127	9,624
Additions	4,006	36	21,330	25,372
Depreciation provided during the year	(1,622)	(223)	(3,219)	(5,064)
At 31 December 2017, net of accumulated depreciation	5,475	1,219	23,238	29,932
At 31 December 2017:				
Cost	8,426	1,797	31,247	41,470
Accumulated depreciation	(2,951)	(578)	(8,009)	(11,538)
Net carrying amount	5,475	1,219	23,238	29,932

	Leasehold improvement *RMB'000*	Motor vehicles *RMB'000*	Office equipment *RMB'000*	Total *RMB'000*
31 December 2018				
At 1 January 2018:				
Cost	8,426	1,797	31,247	41,470
Accumulated depreciation	(2,951)	(578)	(8,009)	(11,538)
Net carrying amount	5,475	1,219	23,238	29,932
At 1 January 2018, net of accumulated depreciation	5,475	1,219	23,238	29,932
Additions	2,499	32	2,429	4,960
Disposals	–	(21)	(388)	(409)
Depreciation provided during the year	(2,428)	(226)	(3,824)	(6,478)
At 31 December 2018, net of accumulated depreciation	5,546	1,004	21,455	28,005
At 31 December 2018:				
Cost	10,925	1,622	30,503	43,050
Accumulated depreciation	(5,379)	(618)	(9,048)	(15,045)
Net carrying amount	5,546	1,004	21,455	28,005
30 June 2019				
At 1 January 2019:				
Cost	10,925	1,622	30,503	43,050
Accumulated depreciation	(5,379)	(618)	(9,048)	(15,045)
Net carrying amount	5,546	1,004	21,455	28,005
At 1 January 2019, net of accumulated depreciation	5,546	1,004	21,455	28,005
Additions	673	110	1,250	2,033
Acquisitions of subsidiaries *(note 30)*	–	322	789	1,111
Disposals	–	–	(2)	(2)
Depreciation provided during the period	(834)	(183)	(2,158)	(3,175)
At 30 June 2019, net of accumulated depreciation	5,385	1,253	21,334	27,972
At 30 June 2019:				
Cost	12,335	3,124	34,979	50,438
Accumulated depreciation	(6,950)	(1,871)	(13,645)	(22,466)
Net carrying amount	5,385	1,253	21,334	27,972

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the Relevant Periods:

	Right-of-use assets			Lease
	Buildings	**Vehicles**	**Total**	**liabilities**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2016	3,022	–	3,022	3,046
Additions	5,167	–	5,167	5,167
Depreciation charge	(1,499)	–	(1,499)	–
Interest expense	–	–	–	446
Payments	–	–	–	(1,771)
At 31 December 2016	6,690	–	6,690	6,888
At 1 January 2017	6,690	–	6,690	6,888
Additions	2,394	756	3,150	3,150
Depreciation charge	(2,597)	(123)	(2,720)	–
Interest expense	–	–	–	614
Payments	–	–	–	(3,175)
At 31 December 2017	6,487	633	7,120	7,477
At 1 January 2018	6,487	633	7,120	7,477
Additions	292	–	292	292
Depreciation charge	(3,076)	(230)	(3,306)	–
Interest expense	–	–	–	549
Payments	–	–	–	(3,849)
At 31 December 2018	3,703	403	4,106	4,469
At 1 January 2019	3,703	403	4,106	4,469
Additions	3,762	–	3,762	3,762
Acquisition of a subsidiary *(note 30)*	–	–	–	10,089
Depreciation charge	(1,546)	(115)	(1,661)	–
Interest expense	–	–	–	460
Payments	–	–	–	(2,802)
At 30 June 2019	5,919	288	6,207	15,978

16. GOODWILL

	As at 31 December			As at 30 June
	2016	2017	2018	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	–	47,230	47,230	47,230
Acquisitions of subsidiaries *(note 30)*	47,230	–	–	21,611
Carrying amount at the end of the year/period	47,230	47,230	47,230	68,841
Cost	47,230	47,230	47,230	68,841
Accumulated impairment	–	–	–	–
Net carrying amount	47,230	47,230	47,230	68,841

Impairment testing on goodwill

During the Relevant Periods, the Group completed the acquisitions of Guangzhou Wanning, Foshan Hetai, Zhuhai Yuanxing, Joan Elevator, Guangzhou Dongkang and Qingyuan Rongtai for a consideration of RMB44,000,000, RMB5,000,000, RMB3,000,000, RMB26,052,000, RMB45,364,000 and RMB9,065,000, respectively, which resulted in the recognition of goodwill of RMB22,462,000, RMB3,607,000, RMB2,429,000, RMB18,732,000, RMB19,068,000 and RMB2,543,000 for these companies, respectively.

For the purpose of impairment testing, the Group's goodwill acquired through the above business combinations before 1 January 2019 was related to the four subsidiaries which were regarded as four different cash-generating units ("CGUs"). The recoverable amounts of these CGUs have been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a three-year period prepared by management.

As at 31 December 2016

CGU	Principal business	Goodwill	Annual revenue growth rate	Discount rate
Guangzhou Wanning	Property management	22,462	5%	11.21%
Foshan Hetai	Property management	3,607	5%	14.24%
Zhuhai Yuanxing	Property management	2,429	5%	14.78%
Joan Elevator	Elevator installation and maintenance	18,732	10%-40%	16.00%

As at 31 December 2017

CGU	Principal business	Goodwill	Annual revenue growth rate	Discount rate
Guangzhou Wanning	Property management	22,462	5%	10.49%
Foshan Hetai	Property management	3,607	5%	13.38%
Zhuhai Yuanxing	Property management	2,429	5%	13.98%
Joan Elevator	Elevator installation and maintenance	18,732	10%-40%	16.00%

As at 31 December 2018

CGU	Principal business	Goodwill	Annual revenue growth rate	Discount rate
Guangzhou Wanning	Property management	22,462	5%	10.41%
Foshan Hetai	Property management	3,607	5%	13.36%
Zhuhai Yuanxing	Property management	2,429	5%	13.90%
Joan Elevator	Elevator installation and maintenance	18,732	10%	16.00%

Assumptions were used in the value-in-use calculations of the above mentioned CGUs for the Relevant Periods. The following describes each key assumption on which management had based its cash flow projections of the respective CGUs to undertake impairment testing of goodwill:

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

Annual revenue growth rate – The predicted revenue growth rate of CGUs for the three years subsequent to the date of assessment is one of the assumptions used in the value-in-use calculations.

Details of the headroom measured by excess of the recoverable amount over the carrying amount of respective CGUs as at 31 December 2016, 2017 and 2018 are set out as follows:

	As at 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
Guangzhou Wanning	23,749	20,920	8,401
Foshan Hetai	1,707	1,576	824
Zhuhai Yuanxing	999	1,247	477
Joan Elevator	4,053	5,978	6,715
	30,508	29,721	16,417

Management has undertaken sensitivity analysis on the impairment test of goodwill. The following table sets forth the hypothetical changes to discount rate or annual revenue growth rate that would, in isolation, have removed the remaining headroom respectively as at 31 December 2016, 2017 and 2018:

	Guangzhou Wanning	Foshan Hetai	Zhuhai Yuanxing	Joan Elevator
As at 31 December 2016				
Increase in discount rate	9.65%	5.56%	6.06%	2.45%
Decrease in annual revenue growth rate	16.47%	9.85%	10.09%	3.28%
As at 31 December 2017				
Increase in discount rate	7.41%	4.58%	6.49%	3.57%
Decrease in annual revenue growth rate	13.44%	8.54%	10.92%	4.53%
As at 31 December 2018				
Increase in discount rate	2.86%	2.38%	2.37%	3.89%
Decrease in annual revenue growth rate	5.72%	4.60%	4.35%	4.14%

At the end of each of the Relevant Periods, the directors of the Company considered there was no reasonably possible change in the key assumptions mentioned above would cause the carrying amount of each CGU to exceed its recoverable amount. The directors of the Company determined that there was no impairment of any of its CGUs.

17. OTHER INTANGIBLE ASSETS

	Software	Property management contracts	Development cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2016				
At 1 January 2016:				
Cost	2,193	–	–	2,193
Accumulated amortisation	(213)	–	–	(213)
Net carrying amount	1,980	–	–	1,980
At 1 January 2016, net of accumulated amortisation	1,980	–	–	1,980
Additions—internal development	–	–	2,770	2,770
Acquisitions of subsidiaries *(note 30)*	–	9,437	–	9,437
Amortisation provided during the year	(248)	(1,366)	–	(1,614)
At 31 December 2016, net of accumulated amortisation	1,732	8,071	2,770	12,573
At 31 December 2016:				
Cost	2,193	9,437	2,770	14,400
Accumulated amortisation	(461)	(1,366)	–	(1,827)
Net carrying amount	1,732	8,071	2,770	12,573
31 December 2017				
At 1 January 2017:				
Cost	2,193	9,437	2,770	14,400
Accumulated amortisation	(461)	(1,366)	–	(1,827)
Net carrying amount	1,732	8,071	2,770	12,573
At 1 January 2017, net of accumulated amortisation	1,732	8,071	2,770	12,573
Additions	7,901	–	–	7,901
Additions—internal development	–	–	1,945	1,945
Acquisition of a subsidiary *(note 30)*	–	1,011	–	1,011
Transfer	3,833	–	(3,833)	–
Amortisation provided during the year	(1,257)	(1,558)	–	(2,815)
At 31 December 2017, net of accumulated amortisation	12,209	7,524	882	20,615

	Software	Property management contracts	Development cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2017:				
Cost	13,927	10,448	882	25,257
Accumulated amortisation	(1,718)	(2,924)	–	(4,642)
Net carrying amount	12,209	7,524	882	20,615
31 December 2018				
At 1 January 2018:				
Cost	13,927	10,448	882	25,257
Accumulated amortisation	(1,718)	(2,924)	–	(4,642)
Net carrying amount	12,209	7,524	882	20,615
At 1 January 2018, net of accumulated amortisation	12,209	7,524	882	20,615
Additions	280	–	–	280
Additions—internal development	–	–	1,437	1,437
Transfer	2,270	–	(2,270)	–
Amortisation provided during the year	(2,057)	(1,402)	–	(3,459)
At 31 December 2018, net of accumulated amortisation	12,702	6,122	49	18,873
At 31 December 2018:				
Cost	16,477	10,448	49	26,974
Accumulated amortisation	(3,775)	(4,326)	–	(8,101)
Net carrying amount	12,702	6,122	49	18,873
30 June 2019				
At 1 January 2019:				
Cost	16,477	10,448	49	26,974
Accumulated amortisation	(3,775)	(4,326)	–	(8,101)
Net carrying amount	12,702	6,122	49	18,873

	Software	Property management contracts	Development cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2019, net of accumulated amortisation	12,702	6,122	49	18,873
Additions	18	–	–	18
Additions—internal development	–	–	1,677	1,677
Acquisitions of subsidiaries *(note 30)*	104	5,585	–	5,689
Transfer	32	–	(32)	–
Amortisation provided during the period	(1,180)	(878)	–	(2,058)
At 30 June 2019, net of accumulated amortisation	11,676	10,829	1,694	24,199
At 30 June 2019:				
Cost	16,713	16,033	1,694	34,440
Accumulated amortisation	(5,037)	(5,204)	–	(10,241)
Net carrying amount	11,676	10,829	1,694	24,199

18. INVESTMENT IN AN ASSOCIATE

	As at 31 December			As at 30 June
	2016	2017	2018	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	61,375	63,692	67,129	68,371

The Group's balances of other receivables and other payables with the associate are disclosed in note 33(3) to the Historical Financial Information.

Particulars of the Group's associate are as follows:

Name	Place of registration and business	Issued ordinary/ registered share capital	Percentage of equity interest attributable to the Group 31 December 2016	2017	2018	30 June 2019	Principal activity
廣州市時代融信小額貸款股份有限公司 Guangzhou Times Rongxin Micro-credit Co., Ltd. ("Guangzhou Rongxin")	PRC/Mainland China	RMB300,000,000	30	30	30	30	Money lending

Guangzhou Rongxin, which is considered a material associate of the Group, is a strategic partner of the Group engaged in money lending and is accounted for using the equity method.

The following table illustrates the summarised financial information in respect of Guangzhou Rongxin adjusted for any differences in accounting policies and reconciled to the carrying amount to the Historical Financial Information:

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	124,653	30,802	1,077	146,634
Other current assets	82,915	184,566	226,399	87,830
Current assets	207,568	215,368	227,476	234,464
Non-current assets	557	381	258	188
Current liabilities	3,540	3,442	3,972	6,750
Net assets	204,585	212,307	223,762	227,902
Reconciliation to the Group's interest in the associate:				
Proportion of the Group's ownership	30%	30%	30%	30%
Group's share of net assets of the associate	61,375	63,692	67,129	68,371
Carrying amount of the investment	61,375	63,692	67,129	68,371

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Revenue	7,776	16,623	19,471	9,119	8,316
Profit and total comprehensive income for the year/period	2,617	7,723	11,455	4,893	4,140

19. DEFERRED TAX ASSETS AND LIABILITIES

The movements in deferred tax assets during each of the Relevant Periods are as follows:

	Tax losses	Provision of impairment losses of financial assets	Unrealised revenue received in advance	Accrued liabilities and future deductible expenses	Government grants	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2016	396	777	–	4,283	–	5,456
Deferred tax credited to profit or loss during the year	1,349	588	418	620	–	2,975
At 31 December 2016 and 1 January 2017	1,745	1,365	418	4,903	–	8,431
Deferred tax (charged)/credited to profit or loss during the year	(119)	674	112	1,231	143	2,041
At 31 December 2017 and 1 January 2018	1,626	2,039	530	6,134	143	10,472
Deferred tax credited/(charged) to profit or loss during the year	280	429	84	1,456	(30)	2,219
At 31 December 2018 and 1 January 2019	1,906	2,468	614	7,590	113	12,691
Acquisition of a subsidiary *(note 30)*	–	42	–	3,073	–	3,115
Deferred tax credited/(charged) to profit or loss during the period	50	748	823	1,461	(15)	3,067
At 30 June 2019	1,956	3,258	1,437	12,124	98	18,873

The movements in deferred tax liabilities during the Relevant Periods are as follows:

Deferred tax liabilities

	Fair value adjustment arising from acquisitions of subsidiaries
	RMB'000
At 1 January 2016	–
Acquisitions of subsidiaries *(note 30)*	2,359
Deferred tax credited to profit or loss during the year	(341)
At 31 December 2016 and 1 January 2017	2,018
Deferred tax credited to profit or loss during the year	(390)
At 31 December 2017 and 1 January 2018	1,628
Deferred tax credited to profit or loss during the year	(350)
At 31 December 2018 and 1 January 2019	1,278
Acquisitions of subsidiaries *(note 30)*	1,397
Deferred tax credited to profit or loss during the period	(220)
At 30 June 2019	2,455

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2016, 2017 and 2018 and 30 June 2019, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors of the Company, the Group's fund will be retained in Mainland China for the expansion of the Group's operation, so it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB45,048,000, RMB84,984,000, RMB151,813,000 and RMB208,771,000 as at 31 December 2016, 2017 and 2018 and 30 June 2019, respectively.

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December			**As at 30 June**
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	211	397	619	621

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profits is probable. As at 31 December 2016, 2017 and 2018 and 30 June 2019, the Group did not recognise deferred tax assets of approximately RMB211,000, RMB397,000, RMB619,000 and RMB621,000, in respect of losses amounting to approximately RMB844,000, RMB1,588,000, RMB2,476,000 and RMB2,488,000 respectively, that can be carried forward to offset against future taxable income. These tax losses will expire in years 2021, 2022, 2023 and 2024 respectively.

20. INVENTORIES

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Work in progress	754	217	39	834
Other materials	1,767	1,865	1,473	1,600
	2,521	2,082	1,512	2,434

21. TRADE RECEIVABLES

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Related parties *(note 33)*	101,535	102,149	166,031	146,265
Third parties	28,181	45,764	55,985	100,659
	129,716	147,913	222,016	246,924
Less: Allowance for impairment of trade receivables	(5,456)	(8,153)	(9,867)	(12,859)
	124,260	139,760	212,149	234,065

Trade receivables mainly represent receivables from property management services, value-added services to non-property owners, community value-added services and professional services. For trade receivables from property management services, the Group charge property management fees on a quarterly or monthly basis and the payment is generally due upon the issuance of demand notes. For trade receivables from other services, the Group's trading terms with its customers are mainly on credit and the credit period is generally within three months. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are interest-free.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the demand note date and net of loss allowance, is as follows:

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	107,595	118,693	152,982	177,942
1 to 2 years	14,026	17,828	46,514	41,883
2 to 3 years	2,034	2,326	11,838	11,261
3 to 4 years	509	766	591	2,553
4 to 5 years	96	147	224	426
Total	124,260	139,760	212,149	234,065

The movements in provision for expected credit losses of trade receivables are as follows:

	As at 31 December			As at 30 June
	2016	2017	2018	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	3,106	5,456	8,153	9,867
Charged for the year/period	2,350	2,697	1,714	2,992
At the end of the year/period	5,456	8,153	9,867	12,859

As at 31 December 2016, 2017 and 2018 and 30 June 2019, the trade receivables were denominated in RMB, the fair values of trade receivables approximated to their carrying amounts.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., customer type and service type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Third parties - not past due	Third parties - past due							
	Current	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Related parties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2016									
Expected credit loss rate	–	12.38%	18.76%	37.14%	57.49%	81.29%	100.00%	–	
Gross carrying amount	5,790	7,747	9,277	3,194	1,191	511	471	101,535	129,716
Expected credit losses	–	(959)	(1,740)	(1,186)	(685)	(415)	(471)	–	(5,456)
At 31 December 2017									
Expected credit loss rate	–	12.38%	18.76%	37.14%	57.49%	81.29%	100.00%	–	
Gross carrying amount	7,119	21,781	10,347	3,370	1,732	787	628	102,149	147,913
Expected credit losses	–	(2,696)	(1,941)	(1,252)	(996)	(640)	(628)	–	(8,153)
At 31 December 2018									
Expected credit loss rate	–	12.38%	18.76%	37.14%	57.49%	81.29%	100.00%	–	
Gross carrying amount	11,127	27,832	7,934	5,028	1,884	1,055	1,125	166,031	222,016
Expected credit losses	–	(3,446)	(1,488)	(1,867)	(1,083)	(858)	(1,125)	–	(9,867)
At 30 June 2019									
Expected credit loss rate	–	12.38%	18.76%	37.14%	57.49%	81.29%	100.00%	–	
Gross carrying amount	37,550	39,672	14,421	4,341	1,963	1,120	1,592	146,265	246,924
Expected credit losses	–	(4,911)	(2,705)	(1,612)	(1,129)	(910)	(1,592)	–	(12,859)

In the opinion of the directors, the business and customer risk portfolio of the Group remained stable and there were no significant fluctuations in the historical credit loss incurred. In addition, there is no significant change with regards to economic indicators based on an assessment of forward-looking information. Therefore, same expected credit loss rate is adopted throughout the Relevant Periods.

22. CONTRACT ASSETS

	As at 31 December			As at 30 June
	2016	2017	2018	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract assets arising from:				
Installation services	6,204	13,202	20,974	18,396

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the end of each of the Relevant Periods. The contract assets are transferred to receivables when the rights become unconditional. The Group's trading terms and credit policy with customers are disclosed in note 21 to the Historical Financial Information.

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December			As at 30 June
	2016	2017	2018	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments	12,157	3,284	1,827	5,323
Payments on behalf of property owners	1,920	10,655	6,046	5,198
Deposits	3,723	4,637	4,564	39,134
Advances to employees	343	92	25	529
Other receivables	3,759	4,706	5,287	16,073
Amounts due from related parties *(note 33)*	57,676	423,661	2,032,961	1,538,905
Total	79,578	447,035	2,050,710	1,605,162
Current portion	72,048	447,035	2,050,710	1,598,597
Non-current portion	7,530	–	–	6,565
Total	79,578	447,035	2,050,710	1,605,162

The Group made a loan to a related party at nominal interest rates ranging from 6.5% to 7.5% per annum, of which balance was RMB1,601,000,000 and RMB1,526,000,000 as at 31 December 2018 and 30 June 2019, respectively, which were unsecured and repayable before 31 December 2019. Except for the loan, the other receivables are unsecured, non-interest-bearing and repayable on demand.

The Group has assessed that the credit risk of these receivables has not increased significantly since initial recognition and measured the impairment based on 12-month expected credit loss. The Group considers the historical loss rate and adjusts for forward looking macroeconomic data in calculating the expected credit loss rate. As at 31 December 2016, 2017 and 2018 and 30 June 2019, the Group estimated the expected loss rate for other receivables is minimal under the 12-month expected loss method.

The information about the credit exposure is disclosed in note 36(a) to the Historical Financial Information.

24. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	As at 31 December			As at 30 June
	2016	2017	2018	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	117,797	94,707	1,182,549	307,086
Less: Restricted bank deposits	(20,912)	(8,208)	(200)	(2,690)
Cash and cash equivalents	96,885	86,499	1,182,349	304,396

As at 31 December 2016, 2017 and 2018 and 30 June 2019, the cash and bank balances of the Group denominated in RMB amounted to RMB117,762,000, RMB94,676,000, RMB1,182,522,000 and RMB307,062,000. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

25. TRADE PAYABLES

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Third parties	52,701	68,830	112,306	106,957

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less than 1 year	50,967	66,210	105,750	100,731
Over 1 year	1,734	2,620	6,556	6,226
	52,701	68,830	112,306	106,957

Trade payables are unsecured and interest-free and are normally settled based on 60 days terms.

The fair values of trade payables as at the end of each of the Relevant Periods approximated to their corresponding carrying amounts due to their relatively short maturity terms.

26. OTHER PAYABLES AND ACCRUALS

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll and welfare payables	45,165	58,148	75,934	109,411
Other tax payables	6,500	8,333	12,356	19,572
Deposits and temporary receipts from property owners	58,484	42,927	36,743	50,601
Accruals and other payables	44,608	47,318	47,299	57,557
Amounts due to related parties *(note 33)*	179,787	529,164	1,568,630	122,354
Total	334,544	685,890	1,740,962	359,495

As at 31 December 2016, 2017 and 2018, the Group was granted a loan of RMB5,000,000 from a related party at an interest rate of 8.0% per annum, which was repayable within one year after the end of each of the Relevant Periods. The loan was fully repaid before 30 June 2019. Except for the aforementioned loan, the other payables are unsecured, interest-free and repayable on demand. The fair values of other payables at the end of each of the Relevant Periods approximated to their corresponding carrying amounts.

27. OTHER INTEREST-BEARING BORROWINGS

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ABS *(note (a))*	–	–	1,601,000	1,526,000
Less: Current portion	–	–	(152,000)	(157,000)
Non-current portion	–	–	1,449,000	1,369,000

All of the Group's borrowings are denominated in RMB.

Notes:

(a) On 18 May 2018, the Group entered into an ABS arrangement with Great Wall Securities Co., Ltd. ("長城證券股份有限公司"), a third-party securities company, by pledging certain trade receivables (31 December 2018: RMB35,250,000, 30 June 2019: RMB45,281,000) and the future years' right of receiving management fees from certain properties under its management. On 18 May 2018, the ABS was formally established with an aggregate nominal value of RMB1,675,000,000, with an 8-year maturity. The borrowings carry nominal interest rates ranging from 6.5% to 7.5% per annum.

The ABS was secured by a related party, Guangzhou Times Holdings Group Company Limited.

During the year ended 31 December 2018 and the six months ended 30 June 2019, the Group repaid a portion of the principal amount of the ABS, amounting to RMB74,000,000 and RMB75,000,000, respectively. The directors of the Group represent that the ABS will be fully repaid prior to the initial listing of the shares of the Company.

(b) As at 31 December 2018 and 30 June 2019, the Group's borrowings were repayable as follows:

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	–	–	152,000	157,000
In the second year	–	–	163,000	167,000
In the third to fifth years, inclusive	–	–	554,000	574,000
Beyond five years	–	–	732,000	628,000
	–	–	1,601,000	1,526,000

28. SHARE CAPITAL

The Company was incorporated in the Cayman Islands on 12 July 2019. There was no authorised and issued capital as at the end of each of the Relevant Periods.

29. RESERVES

The amounts of the Group's reserves and the movements therein for the Relevant Periods and the six months ended 30 June 2018 are presented in the combined statements of changes in equity.

(a) Merger reserve

The merger reserve of the Group represents the issued capital of the then holding company of the companies now comprising the Group.

In February 2016, Peace Power Limited, a wholly-owned subsidiary of the Company, acquired 60% equity interests in Guangzhou Times Neighborhood at a cash consideration of RMB6,600,000 from Guangzhou Times Holdings Group Company Limited, a wholly-owned subsidiary of the Company's Ultimate Holding Company. As both parties were under control of the Ultimate Holding Company before and after the combination and such control was not provisional, this combination was a business combination involving entities under common control.

(b) Statutory surplus funds

In accordance with the PRC Company Law and the articles of association of the subsidiaries incorporated in the PRC, the Group is required to appropriate 10% of its net profit after tax to the statutory surplus reserves until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the Group, the statutory surplus reserves may be used either to offset losses, or to be converted to increase the share capital of the subsidiaries provided that the balance after such conversion is not less than 25% of the registered capital of them. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

30. BUSINESS COMBINATIONS

The below acquisitions allow the Group for further business expansion on property management.

Acquisition of Guangzhou Wanning

Pursuant to an equity transfer agreement entered into by Guangzhou Times Property Management and the then shareholders of Guangzhou Wanning on 5 February 2016, Guangzhou Times Property Management acquired a 100% equity interest in Guangzhou Wanning at a cash consideration of RMB44,000,000. Guangzhou Wanning is a property management company established in the PRC with limited liability. The relevant equity transfer registration arrangement was completed in April 2016. Since then, Guangzhou Wanning has become a subsidiary of the Group.

The aggregate fair values of the identifiable assets and liabilities of Guangzhou Wanning, as at the date of acquisition, were as follows:

	Fair value recognised on acquisition
	RMB'000
Property, plant and equipment	73
Other intangible assets	9,085
Trade receivables	60
Prepayments, deposits and other receivables	12,285
Cash and cash equivalents	6,536
Other payables and accruals	(4,194)
Contract liabilities	(36)
Deferred tax liabilities *(note 19)*	(2,271)
Fair value of net assets acquired	21,538
Goodwill on acquisition	22,462
Satisfied by cash	44,000

An analysis of the net outflow of cash and cash equivalents in respect of the above acquisition is as follows:

	RMB'000
Total cash consideration	(44,000)
Consideration paid during the year ended 31 December 2017	15,365
Consideration paid during the year ended 31 December 2018	4,635
Consideration paid during the year ended 31 December 2016	(24,000)
Total cash and bank balances acquired	6,536
Net outflow of cash and cash equivalents in respect of the acquisition of Guangzhou Wanning	(17,464)

The Group incurred transaction costs of RMB23,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the combined statement of profit or loss and other comprehensive income.

Since the acquisition, Guangzhou Wanning contributed RMB32,516,000 to the Group's revenue and RMB3,271,000 to the combined profit for the year ended 31 December 2016.

Had the combination taken place at the beginning of the year ended 31 December 2016, the revenue of the Group and the profit of the Group for the year ended 31 December 2016 would have been RMB387,899,000 and RMB20,878,000, respectively.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Guangzhou Wanning with those of the Group. The goodwill is not deductible for income tax purposes.

Acquisition of Foshan Hetai

Pursuant to an equity transfer agreement entered into by Guangzhou Times Property Management and the then shareholders of Foshan Hetai on 1 February 2016, Guangzhou Times Property Management acquired a 100% equity interest in Foshan Hetai at a cash consideration of RMB5,000,000. Foshan Hetai is a property management company established in the PRC with limited liability. The relevant equity transfer registration arrangement was completed in February 2016. Since then, Foshan Hetai has become a subsidiary of the Group.

The aggregate fair values of the identifiable assets and liabilities of Foshan Hetai, as at the date of acquisition, were as follows:

	Fair value recognised on acquisition *RMB'000*
Other intangible assets	257
Cash and cash equivalents	1,204
Other payables and accruals	(4)
Deferred tax liabilities *(note 19)*	(64)
Fair value of net assets acquired	1,393
Goodwill on acquisition	3,607
Satisfied by cash	5,000

An analysis of the net outflow of cash and cash equivalents in respect of the above acquisition is as follows:

	RMB'000
Total cash consideration	(5,000)
Consideration paid during the year ended 31 December 2017	60
Consideration paid during the six months ended 30 June 2019	140
Consideration paid during the year ended 31 December 2016	(4,800)
Total cash and bank balances acquired	1,204
Net outflow of cash and cash equivalents in respect of the acquisition of Foshan Hetai	(3,596)

The Group incurred transaction costs of RMB23,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the combined statement of profit or loss and other comprehensive income.

Since the acquisition, Foshan Hetai contributed RMB4,385,000 to the Group's revenue and RMB703,000 to the combined profit for the year ended 31 December 2016.

Had the combination taken place at the beginning of the year ended 31 December 2016, the revenue of the Group and the profit of the Group for the year ended 31 December 2016 would have been RMB372,965,000 and RMB20,009,000, respectively.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Foshan Hetai with those of the Group. The goodwill is not deductible for income tax purposes.

Acquisition of Zhuhai Yuanxing

Pursuant to an equity transfer agreement entered into by Guangzhou Times Property Management and the then shareholders of Zhuhai Yuanxing on 31 December 2015, Guangzhou Times Property Management acquired a 100% equity interest in Zhuhai Yuanxing at a cash consideration of RMB3,000,000. Zhuhai Yuanxing is a property management company established in the PRC with limited liability. The relevant equity transfer registration arrangement was completed in April 2016. Since then, Zhuhai Yuanxing has become a subsidiary of the Group.

The aggregate fair values of the identifiable assets and liabilities of Zhuhai Yuanxing, as at the date of acquisition, were as follows:

	Fair value recognised on acquisition *RMB'000*
Other intangible assets	95
Trade receivables	13
Cash and cash equivalents	491
Other payables and accruals	(4)
Deferred tax liabilities *(note 19)*	(24)
Fair value of net assets acquired	571
Goodwill on acquisition	2,429
Satisfied by cash	3,000

An analysis of the net outflow of cash and cash equivalents in respect of the above acquisition is as follows:

	RMB'000
Total cash consideration	(3,000)
Total cash and bank balances acquired	491
Net outflow of cash and cash equivalents in respect of the acquisition of Zhuhai Yuanxing	(2,509)

The Group incurred transaction costs of RMB25,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the combined statement of profit or loss and other comprehensive income.

Since the acquisition, Zhuhai Yuanxing contributed RMB2,681,000 to the Group's revenue and RMB299,000 to the combined profit for the year ended 31 December 2016.

Had the combination taken place at the beginning of the year ended 31 December 2016, the revenue of the Group and the profit of the Group for the year ended 31 December 2016 would have been RMB373,093,000 and RMB20,105,000, respectively.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Zhuhai Yuanxing with those of the Group. The goodwill is not deductible for income tax purposes.

Acquisition of Joan Elevator

Pursuant to an equity transfer agreement entered into by Guangzhou Times Property Management and the then shareholders of Joan Elevator on 8 August 2016, Guangzhou Times Property Management acquired a 70% equity interest in Joan Elevator at a consideration of RMB26,052,000. Joan Elevator is an elevator installation and maintenance company established in the PRC with limited liability. The relevant equity transfer registration arrangement was completed in September 2016. Since then, Joan Elevator has become a subsidiary of the Group.

The aggregate fair values of the identifiable assets and liabilities of Joan Elevator, as at the date of acquisition, were as follows:

	Fair value recognised on acquisition
	RMB'000
Property, plant and equipment	23
Trade receivables	30,195
Prepayments, deposits and other receivables	2,824
Cash and cash equivalents	1,162
Trade payables	(17,230)
Other payables and accruals	(799)
Tax payable	(5,718)
Fair value of net assets acquired	10,457
Non-controlling interests	(3,137)
	7,320
Goodwill on acquisition	18,732
	26,052
Satisfied by cash	18,900
Satisfied by trade receivables	7,152
Total consideration	26,052

An analysis of the net outflow of cash and cash equivalents in respect of the above acquisition is as follows:

	RMB'000
Total cash consideration	(18,900)
Consideration paid during the year ended 31 December 2018	945
Total cash and bank balances acquired	1,162
Net outflow of cash and cash equivalents in respect of the acquisition of Joan Elevator	(16,793)

The Group incurred transaction costs of RMB45,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the combined statement of profit or loss and other comprehensive income.

Since the acquisition, Joan Elevator contributed RMB5,783,000 to the Group's revenue and RMB1,000 to the combined profit for the year ended 31 December 2016.

Had the combination taken place at the beginning of the year ended 31 December 2016, the revenue of the Group and the profit of the Group for the year ended 31 December 2016 would have been RMB407,761,000 and RMB27,447,000, respectively.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Joan Elevator with those of the Group. The goodwill is not deductible for income tax purposes.

Acquisition of Qingyuan Shengye

Pursuant to an equity transfer agreement entered into by Guangzhou Times Property Management and the then shareholders of Qingyuan Shengye on 28 August 2017, Guangzhou Times Property Management acquired a 100% equity interest in Qingyuan Shengye at a cash consideration of RMB3,395,000. Qingyuan Shengye is a property management company established in the PRC with limited liability. The relevant equity transfer registration arrangement was completed in August 2017. Since then, Qingyuan Shengye has become a subsidiary of the Group.

The aggregate fair values of the identifiable assets and liabilities of Qingyuan Shengye, as at the date of acquisition, were as follows:

	Fair value recognised on acquisition
	RMB'000
Prepayments, deposits and other receivables	1,697
Other intangible assets	1,011
Cash and cash equivalents	1,613
Other payables and accruals	(694)
Contract liabilities	(232)
Fair value of net assets acquired	3,395
Goodwill on acquisition	–
Satisfied by cash	3,395

An analysis of the net inflow of cash and cash equivalents in respect of the above acquisition is as follows:

	RMB'000
Total cash consideration	(3,395)
Consideration paid during the year ended 31 December 2018	943
Consideration paid during the six months ended 30 June 2019	797
Consideration to be paid subsequent to 30 June 2019	332
Total cash and bank balances acquired	1,613
Net inflow of cash and cash equivalents in respect of the acquisition of Qingyuan Shengye	290

The Group incurred transaction costs of RMB36,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the combined statement of profit or loss and other comprehensive income.

Since the acquisition, Qingyuan Shengye contributed RMB701,000 to the Group's revenue and recognised a loss of RMB333,000 to the combined profit for the year ended 31 December 2017.

Had the combination taken place at the beginning of the year ended 31 December 2017, the revenue of the Group and the profit of the Group for the year ended 31 December 2017 would have been RMB521,330,000 and RMB34,009,000, respectively.

Acquisition of Guangzhou Dongkang

Pursuant to an equity transfer agreement entered into by Guangzhou Times Property Management and the then shareholders of Guangzhou Dongkang on 1 February 2019, Guangzhou Times Property Management acquired a 100% equity interest in Guangzhou Dongkang at a cash consideration of RMB45,364,000. Guangzhou Dongkang is a property management and municipal sanitation service provider established in the PRC with limited liability. The relevant equity transfer registration arrangement was completed in March 2019. Since then, Guangzhou Dongkang has become a subsidiary of the Group.

The aggregate fair values of the identifiable assets and liabilities of Guangzhou Dongkang, as at the date of acquisition, were as follows:

	Fair value recognised on acquisition *RMB'000*
Property, plant and equipment	1,090
Other intangible assets	4,166
Deferred tax assets *(note 19)*	3,115
Trade receivables	28,340
Prepayments, deposits and other receivables	22,818
Financial assets at fair value through profit or loss	12,000
Restricted bank deposits	3,029
Cash and cash equivalents	18,630
Trade payables	(1,649)
Lease liabilities	(10,089)
Other payables and accruals	(46,761)
Contract liabilities	(6,241)
Tax payable	(1,136)
Deferred tax liabilities *(note 19)*	(1,016)
Fair value of net assets acquired	26,296
Goodwill on acquisition	19,068
Satisfied by cash	45,364

An analysis of the net outflow of cash and cash equivalents in respect of the above acquisition is as follows:

	RMB'000
Total cash consideration	(45,364)
Total cash and bank balances acquired	18,630
Net outflow of cash and cash equivalents in respect of the acquisition of Guangzhou Dongkang	(26,734)

The Group incurred transaction costs of RMB82,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the combined statement of profit or loss and other comprehensive income.

Since the acquisition, Guangzhou Dongkang contributed RMB54,040,000 to the Group's revenue and RMB285,000 to the combined profit for the six months ended 30 June 2019.

Had the combination taken place at the beginning of the six months ended 30 June 2019, the revenue of the Group and the profit of the Group for the six months ended 30 June 2019 would have been RMB508,269,000 and RMB44,388,000, respectively.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Guangzhou Dongkang with those of the Group. The goodwill is not deductible for income tax purposes.

The following table illustrates the statement of profit or loss and other comprehensive income in respect of Guangzhou Dongkang for each of the years ended 31 December 2016, 2017 and 2018 and the three months ended 31 March 2019:

	Year ended 31 December			Three months ended 31 March
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
REVENUE	175,807	203,193	208,137	52,550
Cost of sales	(161,417)	(183,600)	(190,406)	(46,567)
Gross profit	14,390	19,593	17,731	5,983
Other income and gains	1,655	1,740	1,478	339
Selling and marketing costs	(1,798)	(1,885)	(1,928)	(259)
Administrative expenses	(9,634)	(10,521)	(11,931)	(2,481)
Impairment losses on financial assets	(14)	(35)	–	(104)
Other expenses	(390)	(25)	(4)	(92)
Finance costs, net	(134)	(110)	(10)	(1)
PROFIT BEFORE TAX	4,075	8,757	5,336	3,385
Income tax expense	(1,092)	(2,139)	(1,291)	(844)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	2,983	6,618	4,045	2,541

The following table illustrates the statement of financial position in respect of Guangzhou Dongkang as at 31 December 2016, 2017 and 2018 and 31 March 2019:

	As at 31 December			As at 31 March
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	1,505	2,129	1,270	1,090
Other intangible assets	163	148	107	101
Deferred tax assets	3,157	3,199	3,023	3,115
Prepayments, deposits and other receivables	11,508	9,518	7,145	6,541
Total non-current assets	16,333	14,994	11,545	10,847
CURRENT ASSETS				
Trade receivables	11,827	21,601	15,652	28,340
Prepayments, deposits and other receivables	10,199	9,448	15,555	16,277
Financial assets at fair value through profit or loss	17,500	15,000	14,000	12,000
Restricted bank deposits	1,093	5,447	3,029	3,029
Cash and cash equivalents	13,037	14,214	32,903	18,630
Total current assets	53,656	65,710	81,139	78,276
CURRENT LIABILITIES				
Trade payables	2,243	1,916	2,928	1,649
Lease liabilities	2,621	3,323	3,412	3,411
Other payables and accruals	37,725	46,898	50,952	46,761
Contract liabilities	1,288	960	6,575	6,241
Interest-bearing bank borrowings	3,000	–	–	–
Tax payable	853	1,381	817	1,136
Government grants	612	–	–	–
Total current liabilities	48,342	54,478	64,684	59,198
NET CURRENT ASSETS	5,314	11,232	16,455	19,078
TOTAL ASSETS LESS CURRENT LIABILITIES	21,647	26,226	28,000	29,925
NON-CURRENT LIABILITIES				
Lease liabilities	11,604	9,565	7,294	6,678
Total non-current liabilities	11,604	9,565	7,294	6,678
Net assets	10,043	16,661	20,706	23,247
EQUITY				
Share capital	5,100	10,100	10,100	10,100
Reserves	4,943	6,561	10,606	13,147
Total equity	10,043	16,661	20,706	23,247

The following table illustrates statements of changes in equity in respect of Guangzhou Dongkang for each of the years ended 31 December 2016, 2017 and 2018 and the three months ended 31 March 2019:

	Share capital *RMB'000*	Share premium *RMB'000*	Statutory surplus funds *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*
At 1 January 2016	5,100	1,000	953	7	7,060
Profit and total comprehensive income for the year	–	–	–	2,983	2,983
Transfer to statutory surplus funds	–	–	298	(298)	–
At 31 December 2016 and 1 January 2017	5,100	1,000	1,251	2,692	10,043
Profit and total comprehensive income for the year	–	–	–	6,618	6,618
Transfer to statutory surplus funds	–	–	662	(662)	–
Capitalisation of shares from share premium, statutory surplus funds and retained profits	5,000	(1,000)	(350)	(3,650)	–
At 31 December 2017 and 1 January 2018	10,100	–	1,563	4,998	16,661
Profit and total comprehensive income for the year	–	–	–	4,045	4,045
Transfer to statutory surplus funds	–	–	404	(404)	–
At 31 December 2018 and 1 January 2019	10,100	–	1,967	8,639	20,706
Profit and total comprehensive income for the period	–	–	–	2,541	2,541
Transfer to statutory surplus funds	–	–	255	(255)	–
At 31 March 2019	10,100	–	2,222	10,925	23,247

The following table illustrates statements of cash flows in respect of Guangzhou Dongkang for each of the years ended 31 December 2016, 2017 and 2018 and the three months ended 31 March 2019:

	Year ended 31 December			Three months ended 31 March
	2016	2017	2018	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	4,075	8,757	5,336	3,385
Adjustments for:				
Finance costs, net	134	110	10	1
Bank interest income	(172)	(53)	(74)	–
Depreciation of property, plant and equipment	808	800	942	247
Amortisation of other intangible assets	9	15	41	6
Impairment losses on financial assets	14	35	–	104
Loss on disposal of items of property, plant and equipment	6	10	4	16
Gain on disposal of financial assets at fair value through profit or loss	(306)	(237)	(189)	(85)
Government grants released to profit or loss	(388)	(612)	–	–
Recognition of a loss contract	149	–	–	–
	4,329	8,825	6,070	3,674
Decrease/(increase) in trade receivables	1,655	(9,809)	5,949	(12,792)
(Increase)/decrease in prepayments, deposits and other receivables	(2,976)	1,431	(5,862)	(719)
Increase/(decrease) in trade payables	168	(327)	1,012	(1,279)
Increase/(decrease) in other payables and accruals	5,015	9,173	4,054	(4,191)
(Decrease)/increase in contract liabilities	(5,668)	(328)	5,615	(334)
Decrease/(increase) in restricted bank deposits	257	(4,354)	2,418	–
Cash generated from/(used in) operations	2,780	4,611	19,256	(15,641)
Income tax paid	(1,771)	(1,653)	(1,679)	(617)
Net cash flows from/(used in) operating activities	1,009	2,958	17,577	(16,258)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of items of property, plant and equipment	(404)	(1,434)	(87)	(83)
Purchase of other intangible assets	(89)	–	–	–
Purchase of financial assets at fair value through profit or loss	(59,500)	(69,000)	(84,000)	–
Interest received	172	1,323	1,205	236
Disposal of financial assets at fair value through profit or loss	60,306	71,737	85,189	2,085
Principal portion of lease receivables from a sublease	262	1,310	2,128	601
Net cash flows from investing activities	747	3,936	4,435	2,839

	Year ended 31 December			Three months ended 31 March
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES				
New interest-bearing bank borrowings	3,000	6,000	–	–
Repayment of interest-bearing bank borrowings	(3,000)	(9,000)	–	–
Interest paid	(132)	(1,380)	(1,141)	(237)
Principal portion of lease payments	(276)	(1,337)	(2,182)	(617)
Net cash flows used in financing activities	(408)	(5,717)	(3,323)	(854)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,348	1,177	18,689	(14,273)
Cash and cash equivalents at beginning of year/period	11,689	13,037	14,214	32,903
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	13,037	14,214	32,903	18,630
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	14,130	19,661	35,932	21,659
Less: Restricted bank deposits	(1,093)	(5,447)	(3,029)	(3,029)
CASH AND CASH EQUIVALENTS AS STATED IN THE STATEMENTS OF FINANCIAL POSITION AND STATEMENTS OF CASH FLOWS	13,037	14,214	32,903	18,630

Acquisition of Qingyuan Rongtai

Pursuant to an equity transfer agreement entered into by Guangzhou Times Property Management and the then shareholders of Qingyuan Rongtai on 5 December 2018, Guangzhou Times Property Management acquired a 100% equity interest in Qingyuan Rongtai at a cash consideration of RMB9,065,000. Qingyuan Rongtai is a property management company established in the PRC with limited liability. The relevant equity transfer registration arrangement was completed in April 2019. Since then, Qingyuan Rongtai became a subsidiary of the Group.

The aggregate fair values of the identifiable assets and liabilities of Qingyuan Rongtai, as at the date of acquisition, were as follows:

	Fair value recognised on acquisition
	RMB'000
Property, plant and equipment	21
Other intangible assets	1,523
Trade receivables	1,517
Prepayments, deposits and other receivables	464
Cash and cash equivalents	5,308
Other payables and accruals	(1,757)
Contract liabilities	(168)
Tax payable	(5)
Deferred tax liabilities *(note 19)*	(381)
Fair value of net assets acquired	6,522
Goodwill on acquisition	2,543
Satisfied by cash	9,065

An analysis of the net outflow of cash and cash equivalents in respect of the above acquisition is as follows:

	RMB'000
Total cash consideration	(9,065)
Consideration to be paid subsequent to 30 June 2019	310
Total cash and bank balances acquired	5,308
Net outflow of cash and cash equivalents in respect of the acquisition of Qingyuan Rongtai	(3,447)

The Group incurred transaction costs of RMB67,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the combined statement of profit or loss and other comprehensive income.

Since the acquisition, Qingyuan Rongtai contributed RMB2,441,000 to the Group's revenue and RMB754,000 to the combined profit for the six months ended 30 June 2019.

Had the combination taken place at the beginning of the six months ended 30 June 2019, the revenue of the Group and the profit of the Group for the six months ended 30 June 2019 would have been RMB457,429,000 and RMB41,954,000, respectively.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Qingyuan Rongtai with those of the Group. The goodwill is not deductible for income tax purposes.

31. NOTES TO THE COMBINED STATEMENTS OF CASH FLOWS

(a) Major non-cash transaction

During the year ended 31 December 2016, the consideration of RMB7,152,000 for the acquisition of Joan Elevator was settled through trade receivables.

(b) Changes in liabilities arising from financing activities

	Other interest-bearing borrowings	Amount due to an associate	Other payables	Lease liabilities
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2016	–	–	–	3,046
Changes from financing cash flows	–	5,000	–	(1,771)
Interest expense	–	82	–	446
Other non-cash movements	–	–	–	5,167
At 31 December 2016 and 1 January 2017	–	5,082	–	6,888
Changes from financing cash flows	–	(5,264)	5,000	(3,175)
Interest expense	–	283	118	614
Other non-cash movements	–	(101)	101	3,150
At 31 December 2017 and 1 January 2018	–	–	5,219	7,477
Changes from financing cash flows	1,527,430	–	–	(3,849)
Interest expense	73,570	–	400	549
Other non-cash movements	–	–	–	292
At 31 December 2018 and 1 January 2019	1,601,000	–	5,619	4,469
Changes from financing cash flows	(130,847)	–	(5,786)	(2,802)
Interest expense	55,847	–	167	460
Other non-cash movements	–	–	–	13,851
At 30 June 2019	1,526,000	–	–	15,978

32. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods:

	As at 31 December			As at 30 June
	2016	2017	2018	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for:				
Non-current assets	25,134	–	–	–
Acquisitions of subsidiaries	–	–	9,065	1,849
	25,134	–	9,065	1,849

33. RELATED PARTY TRANSACTIONS

(1) Name and relationship

The Ultimate Holding Company of the Company is Times China Holdings Limited. Guangzhou Rongxin is an associate of the Group.

(2) Significant related party transactions

The following transactions were carried out with related parties during the Relevant Periods:

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Property management services					
– Entities controlled by the Ultimate Holding Company	15,524	21,107	28,752	12,433	24,411
– Joint ventures of the Ultimate Holding Company	–	2,802	1,721	1,057	1,263
– Key management personnel of the Ultimate Holding Company	183	333	542	310	380
– Key management personnel	51	74	96	47	63
	15,758	24,316	31,111	13,847	26,117
Value-added services to non-property owners					
– Entities controlled by the Ultimate Holding Company	101,154	92,157	167,202	59,851	91,755
– Associates of the Ultimate Holding Company	1,216	1,306	2,141	654	2,243
– Joint ventures of the Ultimate Holding Company	1,820	3,253	19,497	4,287	16,707
	104,190	96,716	188,840	64,792	110,705
Community value-added services					
– Entities controlled by the Ultimate Holding Company	2,465	3,037	4,102	2,135	3,219
Professional services					
– Entities controlled by the Ultimate Holding Company	1,382	5,227	16,502	5,875	2,869
– An associate of the Ultimate Holding Company	53	9	–	–	–
	1,435	5,236	16,502	5,875	2,869
Rental expense					
– An entity controlled by the Ultimate Holding Company	626	–	–	–	–

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Additions of lease liabilities					
– Entities controlled by the Ultimate Holding Company	5,028	–	262	262	2,546
Interest expense					
– Entities controlled by the Ultimate Holding Company	412	615	718	384	281
– An associate	82	283	–	–	–
	494	898	718	384	281
Interest income					
– An entity controlled by the Ultimate Holding Company	–	–	73,570	14,178	55,847

The prices for the above service fees and other transactions were determined in accordance with terms mutually agreed by the contract parties.

(3) Outstanding balances with related parties

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments and receivables from related parties				
Trade nature				
Trade receivables				
– Entities controlled by the Ultimate Holding Company	100,014	89,530	144,899	118,736
– Associates of the Ultimate Holding Company	271	584	289	1,916
– Joint ventures of the Ultimate Holding Company	1,250	12,035	20,843	25,613
	101,535	102,149	166,031	146,265
Non-trade nature				
Prepayments and other receivables				
– Entities controlled by the Ultimate Holding Company	57,676	423,596	2,032,896	1,538,819
– A joint venture of the Ultimate Holding Company	–	65	65	86
– An associate	456	476	482	–
	58,132	424,137	2,033,443	1,538,905

	As at 31 December			As at 30 June
	2016	2017	2018	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables to related parties				
Non-trade nature				
Other payables				
– Entities controlled by the Ultimate Holding Company	179,787	529,047	1,568,361	122,008
– Joint ventures of the Ultimate Holding Company	–	117	269	346
– An associate	5,082	–	–	–
	184,869	529,164	1,568,630	122,354
Trade nature				
Contract liabilities				
– Entities controlled by the Ultimate Holding Company	–	–	–	5,242
– A joint venture of the Ultimate Holding Company	–	–	–	23
	–	–	–	5,265
Lease liabilities				
– Entities controlled by the Ultimate Holding Company	6,559	4,469	2,263	3,548

(4) Compensation of key management personnel of the Group:

	Year ended 31 December			Six months ended 30 June	
	2016	2017	2018	2018	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Salaries, allowances and benefits in kind	1,446	1,945	2,296	1,135	1,234
Performance related bonuses	658	975	1,171	–	–
Pension scheme contributions	50	69	78	39	39
	2,154	2,989	3,545	1,174	1,273

Further details of directors' emoluments are included in note 9 to the Historical Financial Information.

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	124,260	139,760	212,149	234,065
Financial assets included in prepayments, deposits and other receivables	67,421	443,751	2,048,883	1,599,839
Amount due from an associate	456	476	482	–
Restricted bank deposits	20,912	8,208	200	2,690
Cash and cash equivalents	96,885	86,499	1,182,349	304,396
	309,934	678,694	3,444,063	2,140,990
Trade payables	52,701	68,830	112,306	106,957
Lease liabilities	6,888	7,477	4,469	15,978
Financial liabilities included in other payables and accruals	282,879	619,409	1,652,672	230,512
Other interest-bearing borrowings	–	–	1,601,000	1,526,000
Amount due to an associate	5,082	–	–	–
	347,550	695,716	3,370,447	1,879,447

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

31 December 2018

	Carrying amounts	Fair values
	RMB'000	*RMB'000*
Other interest-bearing borrowings	1,601,000	1,698,326

30 June 2019

	Carrying amounts	Fair values
	RMB'000	*RMB'000*
Other interest-bearing borrowings	1,526,000	1,628,959

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposits, amount due from an associate, trade receivables, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals and amount due to an associate approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair value of lease liabilities has been calculated by discounting the expected future cash flows using rates currently available with similar terms, credit risk and remaining maturities.

The Group did not hold any financial assets carried at fair value as at 31 December 2016, 2017 and 2018 and 30 June 2019.

Liabilities for which fair values are disclosed:

31 December 2018

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other interest-bearing borrowings	–	1,698,326	–	1,698,326

30 June 2019

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other interest-bearing borrowings	–	1,628,959	–	1,628,959

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly include restricted bank deposits, cash and cash equivalents, trade and other receivables, trade and other payables, which arise directly from its operations. The Group has other financial assets and liabilities such as lease liabilities, other interest-bearing borrowings, amounts due to related parties and amounts due from related parties. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. Generally, the Group introduces conservative strategies on its risk management. To keep the Group's exposure to these risks to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The board of directors of the Company reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Credit risk

The Group is exposed to credit risk in relation to its trade receivables, contract assets and other receivables, cash and cash equivalents and restricted bank deposits.

The Group expects that there is no significant credit risk associated with cash and cash equivalents and restricted bank deposits since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The Group expects that the credit risk associated with trade receivables and other receivables due from related parties to be low, since the related parties have strong capacity to meet contractual cash flow obligations in the near term. Thus, the impairment provision was considered to be minimal for the trade receivables and other receivables due from related parties.

The Group trades only with recognised and credit worthy third parties. Concentrations of credit risk are managed by analysis by customer/counterparty. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables and other receivables are widely dispersed. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year/period-end staging as at 31 December 2016, 2017 and 2018 and 30 June 2019

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year/period-end staging classification as at 31 December 2016, 2017 and 2018 and 30 June 2019. The amounts presented are gross carrying amounts for financial assets.

31 December 2016

	12-month ECLs	**Lifetime ECLs**			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	124,260	124,260
Contract assets	–	–	–	6,204	6,204
Financial assets included in prepayments, deposits and other receivables					
– Normal**	67,421	–	–	–	67,421
Amount due from an associate					
– Normal**	456	–	–	–	456
Restricted bank deposits					
– Not yet past due	20,912	–	–	–	20,912
Cash and cash equivalents					
– Not yet past due	96,885	–	–	–	96,885
	185,674	–	–	130,464	316,138

31 December 2017

	12-month ECLs	**Lifetime ECLs**			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	139,760	139,760
Contract assets	–	–	–	13,202	13,202
Financial assets included in prepayments, deposits and other receivables					
– Normal**	443,751	–	–	–	443,751
Amount due from an associate					
– Normal**	476	–	–	–	476
Restricted bank deposits					
– Not yet past due	8,208	–	–	–	8,208
Cash and cash equivalents					
– Not yet past due	86,499	–	–	–	86,499
	538,934	–	–	152,962	691,896

31 December 2018

	12-month ECLs	Lifetime ECLs			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	212,149	212,149
Contract assets	–	–	–	20,974	20,974
Financial assets included in prepayments, deposits and other receivables					
– Normal**	2,048,883	–	–	–	2,048,883
Amount due from an associate					
– Normal**	482	–	–	–	482
Restricted bank deposits					
– Not yet past due	200	–	–	–	200
Cash and cash equivalents					
– Not yet past due	1,182,349	–	–	–	1,182,349
	3,231,914	–	–	233,123	3,465,037

30 June 2019

	12-month ECLs	Lifetime ECLs			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	234,065	234,065
Contract assets	–	–	–	18,396	18,396
Financial assets included in prepayments, deposits and other receivables					
– Normal**	1,599,839	–	–	–	1,599,839
Restricted bank deposits					
– Not yet past due	2,690	–	–	–	2,690
Cash and cash equivalents					
– Not yet past due	304,396	–	–	–	304,396
	1,906,925	–	–	252,461	2,159,386

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets, and amount due from an associate is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligation due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding to finance its working capital needs as well as capital expenditure in respect of this development projects, and flexibility through the use of stand-by credit facilities.

The table below analyses the maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, which is based on contractual undiscounted payments.

31 December 2016

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	8,430	44,271	–	–	52,701
Lease liabilities	–	2,830	5,023	–	7,853
Financial liabilities included in other payables and accruals	282,879	–	–	–	282,879
Amount due to an associate	5,082	–	–	–	5,082
	296,391	47,101	5,023	–	348,515

31 December 2017

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	19,242	49,588	–	–	68,830
Lease liabilities	–	3,649	4,804	–	8,453
Financial liabilities included in other payables and accruals	619,409	–	–	–	619,409
	638,651	53,237	4,804	–	696,692

31 December 2018

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	25,080	87,226	–	–	112,306
Lease liabilities	–	2,740	2,171	–	4,911
Financial liabilities included in other payables and accruals	1,652,672	–	–	–	1,652,672
Other interest-bearing borrowings	–	261,488	1,030,922	806,061	2,098,471
	1,677,752	351,454	1,033,093	806,061	3,868,360

30 June 2019

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	31,152	75,805	–	–	106,957
Lease liabilities	–	6,239	12,468	–	18,707
Financial liabilities included in other payables and accruals	230,512	–	–	–	230,512
Other interest-bearing borrowings	–	261,316	1,027,597	678,933	1,967,846
	261,664	343,360	1,040,065	678,933	2,324,022

(c) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged during the Relevant Periods.

The capital structure of the Group consists of other interest-bearing borrowings, amount due to an associate, non-trade portion of other payables and accruals, lease liabilities, share capital and reserves.

The management of the Group reviews the capital structure periodically and considers the costs of capital and the risks associated with each class of capital to balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debts or the redemption of existing debts.

37. EVENTS AFTER THE RELEVANT PERIOD

(a) On 29 April 2019, the Group entered into an equity transfer agreement with an independent third party to acquire a 100% interest in Foshan Nanhai Yixin Property Management Co., Ltd. (佛山市南海區宜信物業管理有限公司, "Foshan Yixin"), which is engaged in property management business. The Group acquired Foshan Yixin to further expand its market share of property management. The maximum consideration is RMB1,849,000 for the acquisition, which is in the form of cash. The relevant equity transfer registration arrangement was completed in September 2019.

(b) The companies now comprising the Group underwent and completed the Reorganisation on 2 August 2019 in preparation for the listing of the shares of the Company on the Stock Exchange. Further details of the Reorganisation are set out in the section headed "History, Reorganisation and Corporate Structure" in the prospectus.

38. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2019.

A. UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted combined net tangible assets attributable to the owners of the Company has been prepared in accordance with rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* issued by the HKICPA for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on our combined net tangible assets attributable to the owners of the Company as of 30 June 2019 as if it had taken place on 30 June 2019.

The unaudited pro forma adjusted combined net tangible assets attributable to the owners of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as of 30 June 2019 or any future date. It is prepared based on our combined net tangible assets attributable to the owners of the Company as of 30 June 2019 as set out in the Accountants' Report as set out in Appendix I to the prospectus, and adjusted as described below. The unaudited pro forma adjusted combined net tangible assets attributable to the owners of the Company does not form part of the Accountants' Report as set out in Appendix I to the prospectus.

	Audited combined net tangible assets attributable to owners of the Company as of 30 June 2019	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted combined net tangible assets**	**Adjusted combined net tangible assets attributable to owners of the Company per Share**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
Based on an Offer Price of HK$4.23 per Share	52,388	584,612	637,000	0.70	0.78
Based on an Offer Price of HK$5.80 per Share	52,388	813,375	865,763	0.95	1.06

Notes:

(1) The combined net tangible assets attributable to owners of the Company as of 30 June 2019 is extracted from the Accountants' Report, which is based on the audited combined equity attributable to owners of the Company as of 30 June 2019 of approximately RMB145.4 million after deducting other intangible assets of RMB24.2 million and goodwill of RMB68.8 million.

(2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK$4.23 per Share or HK$5.80 per Share, after deduction of the underwriting fees and other related expenses payable by the Group. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of HK$1.0 to RMB0.90044.

(3) The unaudited pro forma adjusted combined net tangible assets attributable to owners of the Company per Share is calculated based on 908,672,747 Shares in issue immediately following the Capitalisation Issue and the Global Offering.

(4) The unaudited pro forma adjusted combined net tangible assets attributable to owners of the Company per Share is converted into Hong Kong dollars at an exchange rate of RMB0.90044 to HK$1.0.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

To the Directors of Times Neighborhood Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have completed our assurance engagement to report on the compilation of pro forma financial information of Times Neighborhood Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the pro forma adjusted combined net tangible assets as at 30 June 2019, and related notes as set out on page II-1 of the prospectus dated 9 December 2019 issued by the Company (the "Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described on page II-1 to the prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 30 June 2019 as if the transaction had taken place at 30 June 2019. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 30 June 2019, on which an accountants' report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Certified Public Accountants
Hong Kong
9 December 2019

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman Islands company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 12 July 2019 under the Companies Law. The Company's constitutional documents consist of its Amended and Restated Memorandum of Association ("**Memorandum**") and its Amended and Restated Articles of Association ("**Articles**").

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum provides, *inter alia*, that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since the Company is an exempted company, that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

(b) By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on 3 December 2019 with effect from the Listing Date. A summary of certain provisions of the Articles is set out below.

(a) Shares

(i) Classes of shares

The share capital of the Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of the Articles relating to general meetings shall *mutatis mutandis* apply to every such separate general meeting, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons together holding (or, in the case of a member being a corporation, by its duly authorized representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may, by an ordinary resolution of its members: (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; (e) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; and (g) change the currency of denomination of its share capital.

(iv) Transfer of shares

Subject to the Companies Law and the requirements of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register. Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the Listing Rules, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(v) Power of the Company to purchase its own shares

The Company may purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirement imposed from time to time by the Articles or any, code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price and, if purchases are by tender, tenders shall be available to all members alike.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to the ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board shall fix from the day appointed for payment to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 20% per annum as the Board may prescribe.

(b) Directors

(i) Appointment, retirement and removal

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected has been lodged at the head office or at the registration office of the Company. The period for lodgment of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

A Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of the Company before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and the Company may by ordinary resolution appoint another in his place. Any Director so appointed shall be subject to the "retirement by rotation" provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if he:

(aa) resign;

(bb) dies;

(cc) is declared to be of unsound mind and the Board resolves that his office be vacated;

(dd) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(ee) he is prohibited from being or ceases to be a director by operation of law;

(ff) without special leave, is absent from meetings of the Board for six consecutive months, and the Board resolves that his office is vacated;

(gg) has been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or

(hh) is removed from office by the requisite majority of the Directors or otherwise pursuant to the Articles.

From time to time the Board may appoint one or more of its body to be managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine, and the Board may revoke or terminate any of such appointments. The Board may also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and from time to time it may also revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Company or the holder of the share, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Company has received an indemnity in such form as the Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Companies Law, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(iv) Borrowing powers

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, debenture stock, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Company, performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Board may determine, in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with subsidiaries of the Company or companies with which the Company is associated in business, or may make contributions out of the Company's monies to, any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or former Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and former employees of the Company and their dependents or any class or classes of such persons.

The Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) Compensation or payments for loss of office

Payments to any present Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually or statutorily entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(viii) Disclosure of interest in contracts with the Company or any of its subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by his office from contracting with the Company, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Company.

A Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

(aa) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of either: (i) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (ii) any of a pension fund or retirement, death or disability benefits scheme which relates to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(ee) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares, debentures or other securities of the Company by virtue only of his/their interest in those shares, debentures or other securities.

(ix) Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

(c) Alterations to the constitutional documents and the Company's name

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed, with the sanction of a special resolution of the Company.

(d) Meetings of member

(i) Special and ordinary resolutions

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An "ordinary resolution", by contrast, is a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

(ii) Voting rights and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting: (a) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every share which is fully paid or credited as fully paid registered in his name in the register of members of the Company but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for this purpose as paid up on the share; and (b) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) or its nominee(s), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorised corporate representative):

(A) at least two members;

(B) any member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(C) a member or members holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Company, such person or persons may be authorised as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised in accordance with this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to vote individually on a show of hands.

Where the Company has knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings

The Company must hold an annual general meeting each year other than the year of the Company's adoption of the Articles. Such meeting must be held not more than 15 months after the holding of the last preceding annual general meeting, or such longer period as may be authorised by the Stock Exchange at such time and place as may be determined by the Board.

(iv) Requisition of general meetings

Extraordinary general meetings may be convened on the requisition of one or more members holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

(v) Notices of meetings and business to be conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time, place and agenda of the meeting and particulars of the resolution(s) to be considered at that meeting and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which shall be deemed to be his registered address for this purpose. Subject to the Companies Law and the Listing Rules, a notice or document may also be served or delivered by the Company to any member by electronic means.

Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

(i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Company.

All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

(vi) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vii) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

(e) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and of the assets and liabilities of the Company and of all other matters required by the Companies Law (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account, book or document of the Company except as conferred by the Companies Law or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarized financial statements to members who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those members that have consented and elected to receive the summarised financial statements not less than 21 days before the general meeting.

The Company shall appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the Company in general meeting or by the Board if authority is so delegated by the members.

The members may, at a general meeting remove the auditor(s) by a special resolution at any time before the expiration of the term of office of the auditor(s) and shall, by an ordinary resolution, at that meeting appoint new auditor(s) in place of the removed auditor(s) for the remainder of the term.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

(f) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide:

(i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;

(ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and

(iii) the Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may resolve:

(aa) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(bb) that the members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Upon the recommendation of the Board, the Company may by ordinary resolution in respect of any one particular dividend of the Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

(g) Inspection of corporate records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Hong Kong Companies Ordinance.

(h) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix.

(i) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(i) if the Company is wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively; and

(ii) if the Company is wound up and the surplus assets available for distribution among the members are insufficient to repay the whole of the paid-up capital, such assets shall be distributed, subject to the rights of any shares which may be issued on special terms and conditions, so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Law, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(j) Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3. CAYMAN ISLANDS COMPANY LAW

The Company was incorporated in the Cayman Islands as an exempted company on 12 July 2019 subject to the Companies Law. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Companies Law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

Under Companies Law, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

(i) paying distributions or dividends to members;

(ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(iii) any manner provided in section 37 of the Companies Law;

(iv) writing-off the preliminary expenses of the company; and

(v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Companies Law. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Companies Law.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

Subject to a solvency test, as prescribed in the Companies Law, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of Foss v. Harbottle and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

(g) Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

(h) Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2013 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (2018 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Financial Secretary that:

(i) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to the Company or its operations; and

(ii) no tax be levied on profits, income gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:

(aa) on or in respect of the shares, debentures or other obligations of the Company; or

(bb) by way of withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2018 Revision).

The undertaking for the Company is for a period of 30 years from 17 July 2019.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

(n) Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2013 Revision) of the Cayman Islands.

(o) Register of Directors and officers

Pursuant to the Companies Law, the Company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

(p) Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s).The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

(q) Reconstructions

Reconstructions and amalgamations may be approved by a majority in number representing 75% in value of the members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(r) Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

(s) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

4. GENERAL

Appleby, the Company's legal adviser on Cayman Islands law, has sent to the Company a letter of advice which summarises certain aspects of the Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents Available for Inspection" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on July 12, 2019. Our Company has established its principal place of business in Hong Kong at Suites 4706-4707, 47th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on September 19, 2019. Ms. Leung Suet Wing has been appointed as the authorized representative of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company was incorporated in the Cayman Islands, its operations are subject to the Companies Law and to its constitution, which comprises of the Memorandum and Articles of Association. A summary of certain provisions of the Memorandum and Articles of Association and relevant aspects of the Cayman Islands Company Law is set out in "Appendix III— Summary of the Constitution of the Company and Cayman Islands Company Law" to this prospectus.

2. Changes in the share capital of our Company

As of the date of incorporation of our Company, the authorized share capital of our Company was HK$380,000 divided into 38,000,000 Shares of a par value of HK$0.01 each. Upon its incorporation, one ordinary Share of a par value of HK$0.01 was allotted and issued to an independent third party on July 12, 2019, which was then transferred to Wisdom Sharp on the same date.

On December 3, 2019, the authorized share capital of our Company was increased from HK$380,000 divided into 38,000,000 Shares of a par value of HK$0.01 each to HK$20,000,000 divided into 2,000,000,000 Shares of a par value of HK$0.01 each.

Immediately following completion of the Spin-off, the issued share capital of our Company will be HK$9,086,727.47 divided into 908,672,747 Shares, all fully paid or credited as fully paid, and 1,091,327,253 Shares will remain unissued.

Save for the aforesaid and as mentioned in "—3. Resolutions in writing of our Shareholders passed on December 3, 2019" in this Appendix, there has been no alteration in the share capital of our Company since its incorporation.

3. Resolutions in writing of Our Shareholders passed on December 3, 2019

Pursuant to written resolutions of our Shareholders passed on December 3, 2019:

(i) our Company approved and adopted the Memorandum of Association which will become effective from the Listing Date;

(ii) our Company approved and conditionally adopted the Articles of Association which will become effective from the Listing Date;

(iii) the authorized share capital of our Company was increased from HK$380,000 divided into 38,000,000 Shares to HK$20,000,000 divided into 2,000,000,000 Shares by the creation of an additional 1,962,000,000 Shares. Such Shares shall rank pari passu in all respects;

(iv) conditional on (i) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue, Shares to be issued pursuant to the Spin-off and Shares to be issued as mentioned in this prospectus; (ii) the entering into of the agreement on the Offer Price between the Sole Global Coordinator (for itself and on behalf of the Underwriters) and our Company on the Price Determination Date; (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:

(1) the Global Offering was approved and our Directors were authorized to allot and issue the new Shares pursuant to the Global Offering; and

(2) conditional on the share premium account of our Company being credited as a result of the Shares by our Company pursuant to the Distribution, our Directors were authorized to capitalize an amount of HK$7,468,527.45 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 746,852,745 Shares.

(v) a general unconditional mandate was given to our Directors to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association or other similar arrangements or pursuant to a specific authority granted by the Shareholders in general meeting, unissued Shares not exceeding the aggregate of 20% of the number of issued Shares immediately following the completion of the Spin-off, such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first;

(vi) a general unconditional mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase on the Stock Exchange or on any other approved stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the number of issued Shares immediately following the completion of the Spin-off, such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first; and

(vii) the general unconditional mandate mentioned in paragraph (iv) above was extended by the addition to the number of issued Shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the total number of issued Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (v) above.

4. Corporate Reorganization

In preparation for the listing of our Shares on the Stock Exchange, the companies comprising our Group underwent the Reorganization and our Company became the holding company of our Group. For details of the Reorganization, please refer to "History, Reorganization and Corporate Structure" in this prospectus.

5. Changes in Share Capital of Our Subsidiaries

Our Company's subsidiaries are referred to in "Appendix I—Accountants' Report" to this prospectus. Save for the subsidiaries mentioned in "Appendix I—Accountants' Report" and "History, Reorganization and Corporate Structure" in this prospectus, our Company has no other subsidiaries.

The following alteration in the registered capital of our subsidiaries took place within the two years immediately preceding the date of this prospectus:

Name of Subsidiary	Date of Change	Registered Capital before Change	Registered Capital after Change
Guangzhou Dongkang	September 19, 2017	RMB5,100,000	RMB10,100,000
	June 28, 2019	RMB10,100,000	RMB100,000,000

Save as disclosed above and in "History, Reorganization and Corporate Structure" in this prospectus, there are no other changes in registered capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

6. Repurchases of our Shares

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the more important of which are summarized below:

(i) Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to the written resolutions passed by the Shareholders of our Company on December 3, 2019, a general unconditional mandate (the "**Buyback Mandate**") was granted to our Directors authorizing the repurchase of shares by our Company on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with the total number of Shares not exceeding 10% of the total number of Shares in issue and to be issued as mentioned herein, at any time until the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by an applicable law or the Articles to be held or when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association, the Listing Rules, the laws of Cayman Islands and other applicable laws and regulations. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange in effect from time to time.

(iii) Connected persons

A listed company is prohibited from knowingly repurchasing its securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their close associates and a core connected person is prohibited from knowingly selling his securities to the company.

(b) Reasons for Repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have general authority from the Shareholders to enable our Directors to repurchase Shares in the market. Repurchases of Shares will only be made when our Directors believe that such repurchases will benefit our Company and its members. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of our Company and its assets and/or its earnings per Share.

(c) Funding of Repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

It is presently proposed that any repurchase of Shares will be made out of the profits of our Company, the share premium amount of our Company or the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorized by the Memorandum and Articles of Association and subject to the applicable laws of the Cayman Islands, out of capital and, in the case of any premium payable on the purchase over the par value of the Shares to be repurchased must be provided for, out of either or both of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, if so authorized by the Articles of Association and subject to the Companies Law, out of capital.

Our Directors do not propose to exercise the Buyback Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company. However, there might be a material adverse impact on the working capital or gearing level as compared with the position disclosed in this Prospectus in the event that the Buyback Mandate is exercised in full.

(d) Share Capital

Exercise in full of the Buyback Mandate, on the basis of 908,672,747 Shares in issue immediately after the Listing, could accordingly result in up to 90,867,274 Shares being repurchased by our Company during the period until:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles of Association to be held; or

(iii) the date on which the Buyback Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first.

(e) General

None of our Directors nor, to the best of their knowledge, information and belief, having made all reasonable enquiries, any of their close associates, currently intends to sell any Shares to our Company or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buyback Mandate in accordance with the Listing Rules, the Memorandum and Articles of Association, the applicable laws of the Cayman Islands.

If, as a result of a securities repurchase pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Code on Takeovers and Mergers (the "**Takeovers Code**"). Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Save for the foregoing, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Buyback Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of our Shares then in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules) could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person of our Company has notified our Company that he/she/it has any present intention to sell Shares to our Company, or has undertaken not to do so if the Buyback Mandate is exercised.

B. INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by our Company or any of its subsidiaries within the two years preceding the date of this prospectus that are or may be material:

(a) an equity transfer agreement dated December 5, 2018 entered into among Mr. Wang Peichun (王培春), Mr. Qiu Xiuping (邱修平), Guangzhou Times Property Management and Qingyuan Rongtai and a supplemental agreement dated January 9, 2019 entered into among Mr. Wang Peichun, Mr. Qiu Xiuping and Guangzhou Times Property Management, pursuant to which Mr. Wang Peichun and Mr. Qiu Xiuping agreed to transfer 90% and 10% equity interest in Qingyuan Rongtai to Guangzhou Times Property Management at a consideration of RMB8,158,505.27 and RMB906,500.58, respectively;

(b) an equity transfer agreement dated February 1, 2019 entered into between Guangzhou Guangyong State-owned Assets Management Co., Ltd. (廣州市廣永國有資產經營有限公司) ("**Guangzhou Guangyong**") and Guangzhou Times Property

Management pursuant to which Guangzhou Guangyong agreed to transfer the entire equity interest in Guangzhou Dongkang to Guangzhou Times Property Management at a consideration of RMB45,270,000;

(c) an equity transfer agreement dated April 29, 2019 entered into among Foshan Guinan Investment Co., Ltd. (佛山市桂南投資有限公司) ("**Foshan Guinan**"), Guangzhou Times Property Management and Foshan Yixin pursuant to which Foshan Guinan agreed to transfer the entire equity interest in Foshan Yixin to Guangzhou Times Property Management at a maximum consideration of RMB1,849,071.65, which is subject to the fulfillment of certain conditions set out in the agreement;

(d) an equity transfer agreement and a supplemental agreement dated July 31, 2019 entered into between Guangzhou Times Holdings and Peace Power pursuant to which Guangzhou Times Holdings agreed to transfer 40% equity interest in Guangzhou Times Neighborhood to Peace Power at a consideration of RMB30,800,000;

(e) the Deed of Non-competition;

(f) the Deed of Indemnity; and

(g) the Hong Kong Underwriting Agreement.

2. Intellectual property rights of our Group

(a) Trademarks

As of the Latest Practicable Date, our Group have registered the following trademark in the PRC and Hong Kong which, in the opinion of our Directors, are material to our Group's business:

Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
邻里邦	15191734	35	Guangzhou Times Property Management	PRC	October 7, 2015	October 6, 2025
	18404388	35	Guangzhou Times Linlibang	PRC	December 28, 2016	December 27, 2026
	18404394	35	Guangzhou Times Linlibang	PRC	December 28, 2016	December 27, 2026
时代梦享家 TIMES DREAM HOME	32956248	36	Guangzhou Times Linlibang	PRC	May 7, 2019	May 6, 2029

Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
时代梦享家 TIMES DREAM HOME	32964175	43	Guangzhou Times Linlibang	PRC	May 7, 2019	May 6, 2029
时代邻里融物业	27200418	35	Guangzhou Times Linlibang	PRC	October 7, 2018	October 6, 2028
东康	6108159	36	Guangzhou Dongkang	PRC	March 14, 2010	March 13, 2020
TOPCOME	11206291	36	Guangzhou Dongkang	PRC	April 21, 2014	April 20, 2024

As of the Latest Practicable Date, our Group had applied for the registration of the following trademarks in the PRC and Hong Kong which, in the opinion of our Directors, are material to our Group's business:

Trademark	Application Number	Class	Name of Applicant	Place of Application	Date of Application
时代邻里 TIMES NEIGHBORHOOD	37735212	36	Guangzhou Times Linlibang	PRC	April 23, 2019
时代邻里 TIMES NEIGHBORHOOD	37709716	37	Guangzhou Times Linlibang	PRC	April 23, 2019
时代邻里 TIMES NEIGHBORHOOD	37724571	45	Guangzhou Times Linlibang	PRC	April 23, 2019

As of the Latest Practicable Date, our Group was granted a license to use the following trademarks:

Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
	7459826	43	Times Development Group	PRC	November 14, 2010	November 13, 2020
	15587704	42	Times Development Group	PRC	January 14, 2016	January 13, 2026
	7462606	41	Times Development Group	PRC	January 14, 2011	January 13, 2021
	7460028	39	Times Development Group	PRC	December 14, 2010	December 13, 2020
	7460002	37	Times Development Group	PRC	November 14, 2010	November 13, 2020
	7459986	36	Times Development Group	PRC	November 14, 2010	November 13, 2020
	7577841	36	Times Development Group	PRC	June 28, 2011	June 27, 2021
	30888123	1	Times Development Group	PRC	March 7, 2019	March 6, 2029
	30886819	2	Times Development Group	PRC	March 7, 2019	March 6, 2029
	30876240	3	Times Development Group	PRC	March 7, 2019	March 6, 2029
	30894185	4	Times Development Group	PRC	March 7, 2019	March 6, 2029
	30900913	5	Times Development Group	PRC	March 7, 2019	March 6, 2029

Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
	30894659	8	Times Development Group	PRC	March 7, 2019	March 6, 2029
	30876295	10	Times Development Group	PRC	March 7, 2019	March 6, 2029
	30901051	11	Times Development Group	PRC	March 7, 2019	March 6, 2029
	30901087	13	Times Development Group	PRC	March 7, 2019	March 6, 2029
	30886253	14	Times Development Group	PRC	March 7, 2019	March 6, 2029
	30897692	16	Times Development Group	PRC	March 7, 2019	March 6, 2029
	30897716	20	Times Development Group	PRC	March 7, 2019	March 6, 2029
	30895103	21	Times Development Group	PRC	March 7, 2019	March 6, 2029
	30876412	22	Times Development Group	PRC	March 7, 2019	March 6, 2029
	30902148	23	Times Development Group	PRC	March 7, 2019	March 6, 2029
	30883094	24	Times Development Group	PRC	March 7, 2019	March 6, 2029

(b) Patents

As of the Latest Practicable Date, our Group was the registered proprietor of the following patents which, in the opinion of our Directors, are material to our Group's business:

Patent Name	Patent Certificate No.	Name of Patentee	Place of Registration	Registration Date
Safety protection device for key areas (一種重點區域的安全防範裝置)	ZL201120256144.5	Guangzhou Dongkang	PRC	July 19, 2011
Ball type security surveillance camera (一種球型安防監控攝像頭)	Zl201710414170.8	Guangzhou Neighborhood Intelligent	PRC	June 5, 2017

(c) Copyright

As of the Latest Practicable Date, our Group was the registered proprietor of the following copyright which, in the opinion of our Directors, is material to our Group's business:

Copyright Name	Registration Number Class	Name of Registered Proprietor	Place of Registration	Date of Completion
Linlibang Comprehensive Budget System V1.0 (鄰里邦全面預算系統V1.0)	2018SR017714	Guangzhou Times Linlibang	PRC	September 30, 2017
Linlibang Purchasing Management System V1.0 (鄰里邦採購管理系統V1.0)	2018SR014626	Guangzhou Times Linlibang	PRC	October 31, 2017
Smart Cloud Property Toll System V1.0 (智能雲物業收費系統V1.0)	2018SR1070199	Guangzhou Times Linlibang	PRC	August 15, 2018
Group Cloud Training System V1.0 (集團雲培訓系統V1.0)	2018SR1065799	Guangzhou Times Linlibang	PRC	January 17, 2018
Smart Cloud Access Control System V1.0 (智能雲門禁系統V1.0)	2018SR1075818	Guangzhou Times Linlibang	PRC	June 14, 2018

Copyright Name	Registration Number Class	Name of Registered Proprietor	Place of Registration	Date of Completion
National Marketing System V1.0 (全民營銷系統V1.0)	2018SR1075801	Guangzhou Times Linlibang	PRC	March 14, 2018
Self-service Property Terminal System V1.0 (自助物業終端系統V1.0)	2018SR1075793	Guangzhou Times Linlibang	PRC	May 10, 2018
Smart Cloud Depot System V1.0 (智能雲車場系統V1.0)	2018SR1075826	Guangzhou Times Linlibang	PRC	October 2, 2018
Neighborhood QQC work order automatic management system V1.0 (鄰里QQC工單自動管理系統V1.0)	2017SR170371	Guangzhou Neighborhood Intelligent	PRC	March 16, 2017
Neighborhood Smart Community Internet of Things Platform V1.0 (鄰里智能社區物聯網平台V1.0)	2017SR170366	Guangzhou Neighborhood Intelligent	PRC	December 20, 2016
Neighborhood Intelligent National Control Center Large Screen Display System V1.0 (鄰里智能化全國管控中心大屏幕展示系統V1.0)	2017SR287944	Guangzhou Neighborhood Intelligent	PRC	October 28, 2016
Neighborhood Intelligent Identity Speech Recognition Management System V1.0 (鄰里智能身份語音識別管理系統V1.0)	2017SR281330	Guangzhou Neighborhood Intelligent	PRC	November 23, 2016
Neighborhood Smart Home Management System V1.0 (鄰里智能家居管理系統V1.0)	2017SR282910	Guangzhou Neighborhood Intelligent	PRC	June 28, 2016
Neighborhood Intelligent Face Detection System V1.0 (鄰里智能人臉檢測系統V1.0)	2017SR306077	Guangzhou Neighborhood Intelligent	PRC	August 19, 2016

(d) Domain name

As of the Latest Practicable Date, our Group was the registered proprietor of the following domain name which, in the opinion of our Directors, is material to our Group's business:

Domain Name	Name of Registered Proprietor	Place of registration	Expiry Date
shidaiwuye.com	Guangzhou Times Property Management	PRC	September 14, 2020
linli580.com	Guangzhou Times Linlibang	PRC	August 8, 2020
东康物业.cn	Guangzhou Dongkang	PRC	May 19, 2020

C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) Disclosure of Interests – Interests and short positions of our Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Immediately following completion of the Spin-off, the interests or short positions of our Directors or chief executives of our Company in our Shares, underlying Shares or debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange, once the Shares are listed will be as follows:

Interest in our Company's associated corporation

Name of Director	Name of associated corporation	Name of interest	Number of Shares	Approximate percentage of shareholding
Mr. Bai Xihong	Times China	Beneficial owner	43,074,000	2.22%
		Interest of spouse	2,017,000	0.10%
Mr. Li Qiang	Times China	Beneficial owner	2,880,000	0.15%

(b) Particulars of service contracts and letters of appointment

Each of our executive Directors has entered into a service agreement with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either party on the other.

Each of our non-executive Directors and our independent non-executive Directors has entered into a letter of appointment with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either party on the other.

(c) Directors' remuneration

During the three years ended December 31, 2018 and six months ended June 30, 2019, the aggregate remuneration (including salaries, allowances and benefits in kind, performance related bonuses and pension scheme contributions) paid to our Directors was RMB0.7 million, RMB1.1 million, RMB1.4 million and RMB0.5 million, respectively. For details, see note 9 of the Accountants' Report set out in Appendix I to this prospectus.

Each of our independent non-executive Directors has been appointed for a term of three years. Our Company intends to pay a director's fee of RMB0.3 million per annum to each of them. Save for directors' fees, none of our independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Under the arrangement currently in force, the aggregate remuneration (including salaries, allowances and benefits in kind, performance related bonuses and pension scheme contributions) of our Directors for the year ending December 31, 2019 is estimated to be no more than approximately RMB3.0 million.

2. Substantial Shareholders

So far as our Directors are aware, the following persons will, immediately prior to and following the completion of the Spin-off (assuming the Reserved Shares under the Preferential Offering are fully taken up by Qualifying Times China Shareholders), have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

Long Positions in Shares of our Company

		Shares held immediately prior to the completion of the Spin-off[1]		Shares held immediately following the completion of the Spin-off[1]	
Name of Shareholder	**Nature of Interest**	**Number**	**Approximate Percentage**	**Number**	**Approximate Percentage**
Asiaciti Enterprises	Beneficial owner	2	61.54%	509,437,744	56.06%
Renowned Brand[2]	Interested in controlled corporation	2	61.54%	509,437,744	56.06%
East Profit[2]	Interested in controlled corporation	2	61.54%	509,437,744	56.06%
Mr. Shum[2]	Interested in controlled corporation Interest of spouse	2	61.54%	509,437,744	56.06%
Ms. Li Yiping[2]	Interested in controlled corporation Interest of spouse	2	61.54%	509,437,744	56.06%

Notes:

(1) The letter "L" denotes a long position in our Shares.

(2) Asiaciti Enterprises is owned as to 60% by Renowned Brand, which is wholly owned by Mr. Shum; and as to 40% by East Profit, which is wholly owned by Ms. Li Yiping. By virtue of the SFO, Renowned Brand, East Profit, Mr. Shum and Ms. Li Yiping are deemed to be interested in shares held by Asiaciti Enterprises.

Long Position in Equity Interest of a Member of our Group

Name	Company concerned	Nature of Interest	Equity interest held immediately prior to the completion of the Spin-off Number	Equity interest held immediately prior to the completion of the Spin-off Approximate Percentage (%)	Equity interest held immediately following the completion of the Spin-off Number	Equity interest held immediately following the completion of the Spin-off Approximate Percentage (%)
Ms. Wu Lanyun	Joan Elevator	Beneficial owner	2,100,000	21	2,100,000	21

3. Agency Fees or Commissions Received

No commissions, discounts, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this prospectus.

4. Disclaimers

Save as disclosed in this prospectus

(a) none of our Directors or chief executives of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the Shares are listed;

(b) none of our Directors or experts referred to in "—D. Other information—7. Qualification of Experts" in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

(d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) taking no account of Shares which may be taken up under the Global Offering, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Global Offering, have an interest or short position in our Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

(f) none of the experts referred to in "—D. Other information—7. Qualification of Experts" in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and

(g) so far as is known to our Directors as at the Latest Practicable Date, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

D. OTHER INFORMATION

1. Tax and other indemnities

Our Ultimate Controlling Shareholders have entered into the Deed of Indemnity with and in favor of our Company (for itself and as trustees for its subsidiaries) (being the contract referred to in paragraph (d) of "—B. Information about our business—1. Summary of material contracts" in this Appendix to provide indemnities on a joint and several basis in respect of, among other matters, (i) taxation or taxation claims resulting from income, profits or gains earned, accrued or received to which any member of our Group may be subject on or before the date when the Global Offering becomes unconditional; (ii) any claims, penalties or other indebtedness resulting from any non-compliance by any Group member on or before the date when the Global Offering becomes unconditional and disclosed in this prospectus, including any insufficient contribution to social insurance and housing provident funds during the Track Record Period; and (iii) any costs, expenses and damages payable resulting from any litigation, arbitration or disputes as disclosed in this prospectus or the legal opinion issued by our PRC Legal Advisors and referred to in "Appendix V—Documents Delivered to the Register of Companies and Available for Inspection—Documents Available for Inspection" to this prospectus, including full indemnity at all times for any losses, decrease in assets, loss of business or increase in indebtedness due directly or indirectly to any disputes to which any member of our Group may be subject and payable, on or before the date when the Global Offering becomes unconditional.

2. Litigation

As of the Latest Practicable Date, our Company was not aware of any other litigation or arbitration proceedings of material importance pending or threatened against it or any of our Directors that could have a material adverse effect on our financial condition or results of operations.

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus.

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor's fees are US$0.8 million and are payable by our Company.

4. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company are approximately HK$59,400 and are payable by our Company.

5. Promoter

Our Company has no promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

6. Taxation of holders of Shares

(a) Hong Kong

The sale, purchase and transfer of Shares registered with our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. Our Directors have been advised that no material liability or estate duty under the laws of China or Hong Kong would be likely to fall upon any member of our Group.

(b) Cayman Islands

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of Shares given that our Company has no interest in land in the Cayman Islands.

(c) Consultation with professional advisors

Intending holders of the Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercise of any rights attaching to them.

7. Qualification of Experts

The following are the qualifications of the experts who have given their opinion or advice which are contained in, or referred to in this prospectus:

Name	Qualifications
Haitong International Capital Limited	Licensed corporation under the SFO to conduct type 6 (advising on corporate finance) regulated activities for the purpose of SFO)
Ernst & Young	Certified Public Accountants
Appleby	Legal advisors to our Company as to Cayman Islands law
Commerce & Finance Law Offices	PRC legal advisors
CIA	Industry consultant

8. Consents of Experts

Each of the experts named in "—D. Other information—7. Qualification of Experts" in this Appendix has given and has not withdrawn its respective written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

9. Interests of experts in our Company

None of the persons named in "—D. Other information—7. Qualification of Experts" in this Appendix is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

10. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

11. Miscellaneous

(a) Within the two years immediately preceding the date of this prospectus:

(i) save as disclosed in "History, Reorganization and Corporate Structure" in this prospectus, no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

(iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(b) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(c) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since June 30, 2019 (being the date which the latest audited combined financial information of our Group were made up);

(d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;

(e) the principal register of members of our Company will be maintained in the Cayman Islands by Appleby Global Services (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Hong Kong Share Registrar and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to CCASS;

(f) no company within our Group is presently listed on any stock exchange or traded on any trading system;

(g) our Directors have been advised that under Cayman Islands law the use of a Chinese name by our Company in conjunction with the English name does not contravene Cayman Islands law;

(h) our Company has no outstanding convertible debt securities or debentures; and

(i) there is no restriction affecting the remittance of profits or repatriation of capital by our Company into Hong Kong from outside Hong Kong.

12. Bilingual Prospectus

The English and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption from Companies and Prospectuses from Compliance Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the **WHITE**, **YELLOW**, **GREEN** and **BLUE** Application Forms;

(b) the written consents referred to "Appendix IV—Statutory and General Information—D. Other Information—8. Consents of Experts" to this prospectus; and

(c) a copy of each of the material contracts referred to in "Appendix IV—Statutory and General Information—B. Information about our Business—1. Summary of Material Contracts" to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Sidley Austin at Level 39, Two International Finance Center, 8 Finance Street, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

(a) the Memorandum of Association and the Articles of Association;

(b) the Accountants' Report from Ernst & Young, the text of which is set out in "Appendix I—Accountants' Report" to this prospectus;

(c) the report from Ernst & Young in respect of the unaudited pro forma financial information, the text of which is set out in "Appendix II—Unaudited Pro Forma Financial Information" to this prospectus;

(d) the audited combined financial statements of our Group for the financial year ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019;

(e) the legal opinion issued by Commerce & Finance Law Offices, the PRC Legal Advisors in respect of our Group's business operations and property interests in the PRC;

(f) the letter of advice from Appleby, our Cayman Islands legal advisors, summarizing certain aspects of the Cayman Islands Company Law referred to in "Appendix III—Summary of the Constitution of the Company and Cayman Islands Company Law" to this prospectus;

(g) the industry report prepared by CIA, the industry consultant;

(h) the Companies Law;

(i) the material contracts referred to in "Appendix IV—Statutory and General Information—B. Information about our Business—1. Summary of Material Contracts" to this prospectus;

(j) the service contracts and letters of appointment with each of our Directors referred to in "Appendix IV—Statutory and General Information—C. Further Information about Directors and Substantial Shareholders—1. Directors—(b) Particulars of service contracts and letters of appointment" to this prospectus; and

(k) the written consents referred to "Appendix IV—Statutory and General Information—D. Other Information—8. Consents of Experts" to this prospectus.

Times Neighborhood Holdings Limited
時代鄰里控股有限公司